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ABSTRACT

The first in a series of working notes about the cost of the operation and maintenance of New York City Board of Education school buildings, this report presents the objectives of the full cost analysis, describes the complex task of analyzing the cost of the operation and the maintenance of school buildings, and explains the thrust and method of operation of the team assigned to the project. Preliminary findings of the project are discussed at length since the findings are relevant to the current policies and procedures of the board of education. Background material has been included both in the main text and in the appendixes to provide historical and technical perspective on the subject. Following an introduction, general background material on the operation and the maintenance of school buildings is given with particular attention given to the custodian and his contract. The preliminary findings on custodians and the preliminary findings on hours worked by custodial helpers are summarized. A series of operation and maintenance policy alternatives that were developed from these findings are presented. The last section of the report describes in brief the subprojects that will be conducted to complete the remainder of the cost analysis. (Author/MLF)

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A SOURCE DOCUMENT ON CUSTODIANS AND CUSTODIAL HELPERS

WORKING NOTE NO. 1 IN A SERIES: A FULL COST ANALYSIS OF THE OPERATION AND MAINTENANCE OF SCHOOL BUILDINGS

JANUARY 1977

BOARD OF EDUCATION OF THE CITY OF NEW YORK

PREPARED BY
OFFICE OF THE DEPUTY CHANCELLOR
PROJECT MANAGEMENT UNIT

BERNARD R. GIFFORD, DEPUTY CHANCELLOR

EA 009 332

PREFACE

This report initiates a series of *Working Notes* directed towards documenting, analyzing, and explaining the costs to operate and maintain school buildings belonging to the New York City Board of Education. The purpose of this first report is to present a broad base of key concepts supplemented with historical and technical perspective. Although the title indicates the major concern of this report to be custodians and custodial helpers, all forseeable areas of interest within the scope of the project are discussed.

What has been completed by the Project Management Team is an important first step that will ultimately serve to reduce the costs of operating and maintaining the school systems buildings. However it is still just a first step. Nexts steps will include bringing into the project appropriate professionals and/or consultants who will be able to investigate some of the more technical areas of building management.

The project leader for the project was Ronald Omegna. Both he and Rudy Rinaldi of my staff gathered the data, performed the analysis, and prepared this report. I wish to thank Bernard Esrig, who reviewed the report and provided helpful editorial suggestions. The cooperation and assistance of Max Uffer, of the Production Control Unit of MIDP, and Michael Narrone, of the Custodial Payroll Unit in the Division of Business and Administration, were invaluable in assembling the detail data needed to develop an understanding of custodians' earnings and custodial helpers' work patterns. Many of the exhibits used in this report were taken from an unpublished report prepared by the Office of Labor Relations and Collective Bargaining; the unpublished report provided considerable insight into custodians' earnings and the rising costs of the custodial service program.

Special thanks are given to Ida Wejksnora and Helen Massiah, for coordinating the production aspects of the report; to Claire Beneduce, Sheila Gonsalves, Rona Thompson, Joan Cole and Sylvia Leibowitz for typing the report and its many drafts; and to Jacqueline Wong Posner, for providing the excellent graphic design of the exhibits contained in the report.

BERNARD R. GIFFORD
Deputy Chancellor

SUMMARY

The Board of Education uses over 1,000 individual facilities in conducting its educational programs and providing its internal administrative services. These facilities are the property of the Board of Education (with the exception of some leased space arrangements); the operation and the maintenance of these buildings is a Board of Education responsibility. The dominant figure affecting the costs of the operation and maintenance of any particular building is the custodian.

The custodian is a building manager; his responsibilities include cleaning, providing heat, ventilation and elevator services, making minor repairs, supervising repair work of outside contractors, and supervising all building service employees (custodial helpers). The custodian is under contract to the Board of Education to provide certain prescribed levels of service in line with the responsibilities mentioned above. For example, the custodian is responsible for cleaning the school building; his contract with the Board of Education clearly indicates exactly how many times per week the school building must be cleaned and exactly what cleaning must be done. In his working relationship with the Board of Education the custodian functions like a contractor (albeit he is a civil service employee of the Board of Education): he has autonomy to hire his own staff and negotiate wage settlements with the unions representing his employees, he may request services from other organizational units of the Board of Education, and he has authority to sub-contract for services with external vendors. Like a contractor, the custodian receives lump sums of funds which he uses to meet his contractual obligations; the lump sums

are estimated by an allocation formula, i.e., the Board of Education uses a complex formula to determine the maximum amount of money it will give a custodian to meet contractual obligations for a particular school (the amount is calculated separately for each school building as each building is different in size, features, etc.). The difference between the allocation and the custodian's expenses provides the funds that become that the custodian's earnings. The better the custodian manages his resources, the lower he maintains his costs, the more money he has left over, thus the more money he can earn for himself. The Board of Education counts on the competitive nature of custodians to provide services efficiently so that the custodians may earn as much as possible (the contract does however set definite limits on the maximum salary a custodian may earn from one school assignment in order to guarantee that the quality service is not sacrificed). It is of course expected that any monies not expended after services have been provided and after the custodian has reached his maximum salary will be returned to the Board of Education.

There are at present approximately one thousand custodians* under contract to the Board of Education and these custodians employ an average of six thousand custodial helpers. The services that the custodians and their staffs provided the Board of Education in the 1975-1976 fiscal year cost approximately $114,000,000; this sum includes the earnings of custodians, the salaries of custodial helpers, supplies, external vendor contracts, and purchased capital equipment. The money purchased custodial services, and represents one component of the cost to operate school buildings (other components include fuel, electricity, administrative overhead, etc.). Maintenance costs (for example, costs for repair of a roof, major electrical wiring, boiler repair, etc.) were not included in the figures just mentioned, but the policies and procedures of custodians do ultimately affect these maintenance costs as well.

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*Note that the Board of Education operates and maintains more facilities (1,056) than there are budgeted personnel lines for custodians to man these facilities (1,020); in the course of one year some two hundred custodians might receive assignments to cover more than one school building. The number of custodians varies during the year as custodians retire and replacements are recruited.

As the need for custodial services by the Board of Education has grown due, for example, to extended hours of school building use for Continuing Education programs for adults and breakfast programs for students; and as the complexity of the new buildings that replace old facilities has increased, for example, by buildings with high pressure heating systems, the cost of the operation and the maintenance of school buildings has also tended to increase. Because the custodian has been the financial focal point, only the money he receives to run his building has in the past been submitted to scrutiny when analyzing rising costs. This approach ignores such costs as were mentioned above for fuel, etc., and also for all maintenance items, and thus minimizes the role the custodian's performance has in effectively controlling the expense to operate and maintain school buildings.

In addition to the need to analyze rising costs, and to study the effect of the performance of custodians, there is a need to examine audits showing that some custodians have abused the autonomy and authority provided them under the terms of their contract with the Board of Education; in certain cases some custodians have been investigated for possible illegal activity.

It is important to study how the situation at the Board of Education could have deteriorated to this extent, and it is necessary to quickly undertake corrective action.

This report addresses itself to these needs; it is the first in a series of Working Notes that will discuss the various factors affecting the cost of operation and maintenance of a school building. The strategy of this project is to assemble data on cost factors, analyze trends and procedures in current methods of providing custodial services, examine alternatives to present methods, and report the information in management oriented documents. The goal of these Working Notes is to effect change in the area of operation and maintenance of school buildings by presenting and clearly defining the financial impact of present policies and procedures. The desired long term change is the reduction in the cost of operating and maintaining school buildings in ways that will maintain or hopefully expand the present quantity and quality of custodial services.

The Project Management Team assigned to this project began its efforts in mid-September, 1976. Two events triggered that timing:

- A complete and independent review of the finances of the custodial service program, comparing the budget allocated versus the expenditures made, was requested by the Deputy Chancellor and results indicated significant overspending in the last two years; the review also projected continued overspending this year unless something was done*
- Budget cuts were mandated in July, 1976 to eliminate further deficit spending; these cuts caused the layoff of over 1,400 custodial helpers; nearly 940 of these custodial helpers were full-time employees. The financial impact of the layoff of this many possible principal wage earners was so great that it necessitated an investigation of ways to return to work some of these laid off employees.

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*The overspending arose because the Board of Education honored obligatory collective bargaining increases with custodial helpers in spite of insufficient funds in the custodial service budget; the NYC Office of Management and Budget would not approve the allocation of additional funds needed to remedy the budget shortfall. The subsequent overspending was the result of inaction by the management of the custodial service program to reduce services and bring expenditures in line with the approved budget.

The Project Management Team has intended that this Working Note develop the nature and scope of the problem rather than solely emphasize figures and charts. Substantial efforts will be placed on gathering the data to make financial decisions during the remainder of the project. The material provided in the appendices attempts to provide worthwhile historical and technical background.

The remaining sections in this summary present the preliminary findings on custodians and custodial helpers, offer several policy alternatives to be considered during the present contract negotiations with the custodians, and indicate three sub-projects to be begun during the next few months.

THE CUSTODIAN

Direct responsibility for the operation and maintenance of school buildings lies with the Bureau of Plant Operation and the Bureau of Maintenance, both belonging to the Division of School Buildings. The end of year budgets for these Bureaus in 1975-1976 were $125,407,527 and $34,851,142 respectively. The totals amount to approximately 6% of the expense budget for the Board of Education.

The efficiency of the methods, procedures and personal policies employed by the custodians determines the cost of the custodial services required by the Board of Education and ultimately the cost of maintenance of school buildings. Flexibility in choosing the personal policies, procedures, and methods the custodians will employ is afforded by the contract between the custodians and the Board of Education. The flexibility built into the contract, which originally made the contract a "performance"* contract giving the custodians autonomy and considerable authority, also leaves the Board of Education open to abuses. Many questions have been raised about alleged abuses by custodians and of severe cost inefficiencies which must be answered:

- The New York Harald Tribune** and the New York Times** reported in 1964 on former Governor Rockefeller's special investigations committee inquiring into the New York City school custodians' high salaries; the New York Times article points out that "one custodian made more than $53,000 in 1962-1963 - which is more than Mayor Wagner received - and two others earned more than the $40,000 paid to... the Superintendent of Schools."

- The Fleischmann Commission*** report in 1971 included a section on a Recommended Operation and Maintenance System in which it discussed problems in current systems:

  > "the problems... (in this area) ... are reflected in the difficulty of hiring and retaining capable people, the lack of sources to tap for training assistance, and the indication of excessive costs, aggravated by the need for undue repairs and premature replacement"

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*The contract is labelled a "performance" contract in that the better a custodian performs, i.e., the better he is at providing services at the lowest cost, the better will be the salary a custodian may earn.

**See Appendix: 15 for copies of the newspaper articles appearing in the New York Herald Tribune and the New York Times on October 19, 1964.

***Fleischmann Commission: New York State Commission on the Quality, Cost and Financing of Elementary and Secondary Education: Non-Instructional Services: A Study of Alternatives; Peat Marwick, Mitchell & Co.; April, 1971; p 1.19.

- The Educational Priorities Panel released a report* in 1976 calling for public hearings on the question of custodial practices and costs. The report discusses allegations of hiring practices in which the custodian hired members of his own family, that capital equipment purchased by the custodian for use by the Board of Education ultimately becomes his property (in as little as 3 to 5 years,) and noted that the custodian "union is demanding elimination of a stipulation in the current contract under which the Board of Education and the union were to study alternative means of providing custodial services in the schools which might be more cost effective."

- The New York State Comptroller's Office completed an audit** in 1976 of contracted custodial services in the Bureau of Plant Operations and estimated savings of approximately 27 million dollars if all schools were contracted out for custodial service. This projection resulted from a sample of five schools on contracted service; it neglects the role of the custodian in calling for maintenance services from the Bureau of Maintenance. The magnitude of the savings projected does indicate the need to fully understand the cost factors in present Board of Education methods and procedures before making any large scale decisions.

- The New York City Comptroller's office examined the operation of the custodial service in 1976 as part of its continuing audit of the Board of Education and

  > "...found that the contracts with the Custodians were heavily weighted against the Board. We found also that the one with the Custodians' employees was interpreted in an unusual manner regarding overtime payments. Laxity in followup of accounts receivable etc. on the part of the Board was also found.

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*The press release and fact sheets prepared by the Educational Priorities Panel are included in Appendix: 3.

**There was a tentative, draft audit report produced on June 29, 1976; that audit report, including the preliminary reply by the Board of Education is included in Appendix: 9. Also included is a supplementary audit report about "Custodial Service at a Certain High School" issued January 28, 1977.

> The effect of the pro-custodian contract, the pro-custodian-employee interpretation, plus the Board's laxness, has resulted in excess cost to the Board of more than $12 million in 1975. Over $8 million was due to overtime costs that could be eliminated or substantially reduced."*

Each of the alleged abuses and cost inefficiencies is under analysis by the Project Management Team; data to substantiate the veracity and, if true, the total cost of each of the alleged abuses are currently being gathered. Preliminary findings, however, do strongly suggest abuses in the entire custodial service program stemming from the flexible custodial contract and limited management controls:

- The custodial contract places a maximum on the salary a custodian can earn during normal day school activity in a given school; a schedule is used to determine the earnings for extra activity in the school. Together, the custodian is not allowed to retain in earnings more than $31,000. In the 1975-1976 fiscal period, 95% of all custodians earned within 95% of their maximum salary; 77% achieved their maximum salary. Nearly 17% of the custodians earned $30,000 or over. There are two reasons for these results:

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*The audit report completed on January 19, 1977 is included in Appendix: 17.

- The contract imposed limits on custodial earnings relate to one school assignment; if a custodian covers two school buildings, he is entitled to earn the maximum salaries of each school and can thus potentially exceed the often quoted $31,000 limit.

  The abuse arises from the fact that multiple assignments, given to custodians only on a temporary basis, appear to have become institutionalized. The Bureau of Plant Operation has not modified its budget to provide enough personnel positions to put a permanent custodian in every school; and so many custodians can thus expect high earnings through multiple assignments.

- The schedule to determine earnings for extra activity also relates to one school assignment; if a custodian transfers from one school to a second school, during one fiscal year, a flaw in the contract terminology allows him to earn more than the $31,000 contract limit.

  It appears that this flaw in the contract has been known about for some time by staff in the custodial service program, but no action was taken to correct the flaw.

- The traditional career path leading to a custodian's position usually begins with a position as fireman; with each change of position the employee joins the appropriate union. However, both custodians and firemen belong to the International Union of Operating Engineers (Locals 891 and 94 respectively.) The fact that the unions are associated may limit negotiation objectivity during times when custodians settle wage and fringe benefit agreements with firemen. It is not at all clear that the Board of Education should be held to such agreements between unions without having more control of the negotiations.

- The monies a custodian does not use, i.e., monies in excess of expenditures during any given period, are held by the custodian in interest bearing accounts. At the end of the custodian's fiscal period, the excess money less the interest is returned to the Board of Education. The custodian retains the interest, and it is not considered part of his $31,000 limit on earnings. The problem that arises is that it takes as long as six months for the Board of Education to retrieve the excess from some custodians.

- Capital equipment purchased by the custodian can be depreciated in 3 to 5 years; however, the Board of Education retains the right to use the equipment for five years. Private building management firms contacted indicated that much of this equipment has a useful life to them of 15 years. One key element in in the disparity of depreciation times is that at the Board of Education ownership title to capital equipment is passed over to the custodian as soon as equipment is fully depreciated. There thus appears to be limited incentive for the custodian not to depreciate capital equipment as quickly as possible, and in fact is appears he does depreciate equipment as quickly as possible.

There is an additional area in which the custodian can have financial impact. The area is the maintenance of school buildings, which the custodian can affect in two ways:

(1) Directly : by excessive requests for regular and emergency repair service.

(2) Indirectly : by accepting less direct responsibility, thereby placing more work onto the Bureau of Maintenance.

Examples of the first are as follows:

- The custodian has given contracts to external vendors to service elevators in schools. In emergency situations the Bureau of Maintenance may make temporary repairs in order to return the elevators to working order (cost figures are currently being gathered,) but does not get reimbursed for its associated costs. In such cases the Board of Education pays the cost of the vendor contract, plus the Bureau of Maintenance costs. The custodian is abusing the emergency status of the situation in demanding the convenience of the Bureau of Maintenance repairs, rather than demanding service from the vendor.

- The custodian has hired a progressively larger number of women in the handyman title over the past few years to the extent that female handymen account for 25% of the total hours worked in 1975-1976 by handymen (0.26 million of the total of 1.1 million hours). It is alleged that the female handyman performs administrative work (typing, filing, etc.) and that the women hired as handymen are usually relatives of the custodian. If true (and an examination by the Project Management Team is underway to ascertain the accuracy of the allegation,) there are two abuses:

  . The handyman title receives $6.58 per hour and on a yearly basis this provides a salary of $13,686; this amount is well above normal clerical salaries

  . There is a loss of handyman productivity in that the female handyman is performing administrative work. This loss must be handled by increased service requests to the Bureau of Maintenance for repair mechanics

- In a recent investigation of custodians reported in the New York Times, on May 5, 1976, it was discovered that a custodian had both his wife and son on the payroll; the son had made more than $15,000 extra in overtime. A Board of Education official noted that the son's time card was most unusual, "...he worked seven days a week, nine to ten hours a day, with no time for lunch...". The amount of money the custodian's son earned in overtime is more than most custodial helpers earn in regular pay.

The indirect effect is noticed during contract negotation. If the custodian is able to negotiate fewer direct responsibilities in his contract, some other agency must perform the task. The other agency is the Bureau of Maintenance; for example,

- The custodian is responsible for the repair of broken windows. New contracts have however limited the number of repairs; the custodian is not required to replace more than a certain number of window panes per month*,

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*The exact maximum number of broken window panes that the custodian is required to replace is determined by the type of window sash; the maximum requirement for one month is to replace 45 window panes if in a wood sash, 22 window panes if in an aluminum sash, and 12 window panes if in a steel sash.

> or to repair windows whose length for two sides exceeds 45 inches. The Bureau of Maintenance makes repairs in excess of these contract limitations and also assumes the cost for such repairs.

It is clear from all these statements that even though some custodians may be guilty of illegal or at best improper activities, the contract the custodians have with the Board of Education is much too unclear. The contract, in attempting to permit entreprenurial flexibility, has allowed the custodians to abuse the spirit of the agreement. It is also clear that the management of the Bureau of Plant Operation has not instituted strong controls over the financial and operational matters of the custodial service program; controls must be strengthened and alternatives sought to decrease the cost of the present methods and procedures.

THE CUSTODIAL HELPER

The largest expense for the custodian is the custodial helper. The custodial helpers are hired, scheduled, paid and fired by the custodian; they generally perform services in line with their titles: cleaner, handyman, watchman, fireman, stationary engineer (operates more complex heating systems,) coal passer and laundry-bath attendant (maintains swimming pool and laundry areas.) Last year these employees consumed in salary and benefits 77% of the money given custodians for custodial services; there were over 6,000 custodial helpers in 1975-1976 and they cost the Board of Education 87 million dollars for 13 million hours on the job.

After collecting detailed information on custodial helper payrolls from the Production Control Unit of the Bureau of Management Information and Data Processing, data were examined to identify trends and to uncover any yearly operating cycles in total hours worked. The trend in total hours worked by custodial helpers over the past three years showed a net increase of 6%. By adjusting the figures for the total hours worked to include the effect of hours worked at overtime and shift-differential rates, figures for total equivalent hours paid were calculated. These figures showed a net increase 5% over the three years. Since the growth in total equivalent hours paid was less than that in total hours worked, there was a slight gain in the efficiency of the custodial helpers.

The transparent overlays presented in Appendix: 5 illustrate the hours worked by custodial helpers in the first quarter of 1976-1977; in comparison to the hours worked in the same quarter of 1975-1976 (illustrated by the colored graphs in Appendix: 5) the substantial drop in hours worked in the first quarter of 1976-1977 is the result of a 13 million dollar budget cut levied on custodial services in July, 1976. This budget cut was part of the continuing economies levied across the entire Board of Education. A chief concern at this point was to examine the feasibility of returning to the work force some part of the custodial helpers that were laid off during this budget cut. Data collected indicates that nearly 240 full-time jobs would be created if overtime and shift-differential* payments were halted and more inexpensive work scheduling policies instituted.

The operating cycle data illustrates the hourly work patterns of employees by individual pay period during the 1975-1976 fiscal year. It was found that both the hours worked and the overtime and shift-differential paid for custodial helpers peaked during the year in the holiday season at the end of December and the beginning of January. This is not in itself unusual as there are three major cleaning periods: in September before school begins, after the Christmas holidays, and after the Easter holidays; however it is unusual that only after the Christmas holidays were peaks observed in the total hours worked and in the overtime and shift-differential paid. Further, the December period is the end of the custodians' fiscal year; analysis showed that custodians as a group historically enter the December period with substantial cash surpluses. It has not been determined as yet whether the hours worked during this December period were to satisfy a real workload, or whether the custodians financed extra work because they had excess funds available. It is important to note that the custodian receives no monetary benefit for returning excess funds from his allocation to the Board of Education.

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*A shift-differential of 5% of the regular wage is paid to custodian helpers as they must work between the hours of 6PM and 8AM.

POLICY AND PROCEDURE ALTERNATIVES

Although this report has attempted to minimize the reliance on tables and graphs, and in fact while much of the data needed to make accurate forecasts and recommendations is still to be gathered, there are a number of policy and procedure alternatives that can be suggested from the findings to date. While a full understanding of the impact of these alternatives really requires reading the main text of this report, most alternatives take a very common sense approach to attacking the high cost of custodial services.

The alternatives have been identified as follows:

- Short term alternatives suggested for immediate implementation based on the information included in this Working Note
- Long term alternatives suggested for further investigation, with acceptance based on data which will be collected during the remainder of this project.

The short term alternatives suggested include the following:

- Performing a priority review of all services provided in the custodial service program with the objective to establish the frequency and need for all services provided; such a review could reduce costs by eliminating services not desperately needed
- Distributing the current Rules and Regulations for the Custodial Force in the Public Schools of the City of New York to personnel outside the Bureau of Plant Operation, i.e., release the rulebook to all users of custodial services; this will allow pedagogical staff to be knowledgeable of the full responsibilities of custodians

- Reinstituting the rating of custodial performance under a system in which users of custodial services have the ability to affect the earnings of custodians and the assignments custodians receive; the objective is to inject more financial control by users into the indirect system.

These three policy or procedure alternatives will have major impact on the performance and cost of custodial services. The suggestions will make users and management more aware of the cost of the services demanded, and will also provide the information necessary to affect the quality of the performance of all custodial personnel.

Additional short term alternatives suggested include:

- Instituting a policy whereby no custodian may hire a family member to work for him
- Creating a clerical title in the custodial helper series to perform administrative work for custodians when necessary
- Imposing a ceiling of $31,000 on custodial earnings, independent of transfers in custodial assignments or handling multiple assignments (i.e., when covering more than one school building)
- Mandating that all custodians' financial and personnel procedures and records comply with the same standards set by the Board of Education for any of its centralized or decentralized units; and mandating that these records be subject to annual audit by the Board of Education
- Limiting the purchase of capital equipment to only that equipment pertinent for use in the particular school building the custodian is assigned to (e.g., not allowing the purchase of jeeps for use in snow removal in schools with small schoolyards); eliminating all personal use of capital equipment
- Eliminating the reimbursement to the custodian for vacation time and sick leave for custodial helpers in excess of 21 calendar days per employee; the objective is to handle vacation time and sick leave of custodial helpers through proper manpower scheduling rather than through expected reimbursements from the Board of Education

- Mandating and enforcing the policy that all lump sums received by custodians from the Board of Education for providing custodial services be kept in trust accounts for the Board of Education so that any interest earned on these monies is the property of the Board of Education and so that excess funds are more easily returned to the Board of Education

- Establishing a procedures whereby the Board of Education deducts FICA and withholding taxes for custodial helpers from the lump sums it gives custodians on a two-week after-the-fact basis (rather than attempting to secure reimbursement from custodians after the Board of Education has made these payments to the Federal Government for the custodian)

- Beginning an operations improvement project in the Custodial Payroll Unit with the objectives of developing and strengthening the unit so that it is capable of providing timely financial reporting on the custodial service program in general and the financial records of custodians in particular as well as providing field audit capability of custodial operations.

There are two significant proposals that will require implementation over a longer term and will need the results of the data to be gathered in the remainder of this project. Based on the priority review of custodial services suggested previously, and the reinstituting of a comprehensive rating system, it is suggested that the Rules and Regulations for the Custodial Force in the Public Schools of the City of New York be revised. The document was last issued in 1966 and it should be redone with input from the top management of the Board of Education as well as from the users of custodial services in the schools.

Also, the allocation formula that provides funds to operate a school building should be revised. This will require gathering comparative cost and performance data from other New York City agencies, other school systems, and private industry using custodial services, and then developing an allocation formula that assumes the use of techniques and euqipment that are state of the art in the building management field today.

While it is clear that the Board of Education should launch more pilot projects to study other systems capable of providing custodial services, such as the direct system* and the contracting system**, there is an additional approach that is particularly recommended. The Board of Education presently has only 1,000 custodians for 1,056 school buildings; it is possible to shift assignments so that one entire Community School District will have no presently employed custodians assigned to its buildings. A District Building Management Office could then be established, on a pilot program basis, with the responsibility to provide custodial services in the district, supervise all custodial service personnel in the district, and be responsible for all financial affairs of the custodial service program in that district (note that the "new" custodians who would be recruited would be under the supervision of the District Building Management Office, would have fewer responsibilities than present custodians, would have less autonomy and authority, and would also receive smaller salaries.) The objective of this recommendation is to achieve cost reductions through greater financial controls, through economies of scale attained from coordinated planning of district activities (such as using fewer schools for extra activity thereby reducing custodial fees,) from combined purchases of supplies, and through the use of speciality teams able to perform more difficult repairs and provide periodically needed services on a rotating basis throughout the district's schools.

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*In the direct system all employees in the custodial service program are civil service employees, not just the custodians; the custodian does not have "contractor" status.

**In the contracting system, all services would be provided by vendors and the Board of Education would not hire its own custodians or any custodial helpers.

NEXT STEPS

The next steps in the cost analysis will be directed to fully research all cost areas mentioned in the policy and procedure alternatives, to provide complete analysis of the data collected and to move into additional cost areas.

The work to be done has been assigned to three individual sub-projects which will run in succession and will require approximately two man-years of effort:

- Project 1 - will gather further cost data on direct custodial services and indirect services (Bureau of Maintenance); and will include a reorganization of the Custodial Payroll Unit in the Division of Business and Administration
- Project 2 - will examine each item in the custodial contract and review the factors determing the fund allocations used in the present custodial system
- Project 3 - will examine the strengths, weaknesses and alternatives to the present custodial system and will include an operational audit* of a sample school district.

Each project will be concluded with a management oriented Working Note such as this one.

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*An operational audit team is being assembled from the Board of Education's Office of the Auditor General and from several members of the Institute of Internal Auditing. The objectives are to strengthen the operational auditing skills of Board of Education auditors, to provide additional support for the Project Management Team, and to examine in detail and first hand the methods, procedures and personal policies of a custodian.

CONCLUSION

The area of operation and maintenance of school buildings involves the direct actions of roughly 8,600 people and costs the Board of Education 6% of its budget. The key figure in providing services to the Board of Education is the custodian, over which the school system appears to exercise little real management control. The custodial contract, originally designed to have sufficient flexibility to reward "performance" by individual custodians, has been taken advantage of, and in fact circumstances suggest that severe and costly abuses of a well-intentioned contract have occurred. As time has passed, the operation area has become increasingly complex, there is little financial reporting, little accountability, and therefore little understanding of the cost factors by top management of the Board of Education.

The custodian is well compensated and possesses a great deal of direct and indirect command of both the operation and the maintenance in school buildings. In some cases he does not always operate in the best financial interest of the Board of Education. The need to obtain information which will allow top management to exercise more control over the present system led to the initiation of this cost analysis by the Project Management Team. In addition to documenting and analyzing current methods and costs for the operation and the maintenance of school buildings, the Project Management Team is also examining cost effective modifications and improvements to the present system. As the project proceeds it is hoped that cost effective alternatives to the entire indirect system will be studied. It is hoped that the policy alternatives provided by the Project Management Team will serve as a useful guide to all parties involved in the current custodial contract negotiations.

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Section I. Introduction

A SOURCE DOCUMENT ON CUSTODIANS AND CUSTODIAL HELPERS: WORKING NOTE NO. 1 IN A SERIES: A FULL COST ANALYSIS OF THE OPERATION AND MAINTENANCE OF SCHOOL BUILDINGS

This is the first in a series of Working Notes about the cost of the operation and maintenance of New York City Board of Education school buildings. This report presents the objectives of the full cost analysis, describes the complex task of analyzing the cost of the operation and the maintenance of school buildings, and explains the thrust and method of operation of the Project Management Team assigned to the project. Preliminary findings of the project are discussed at length since the findings are relevant to the current policies and procedures of the Board of Education. Background material has been included both in the main text and in the appendices to provide historical and technical perspective on the subject.

I. INTRODUCTION

Management attention traditionally focuses on the custodians when considering the primary force that "keeps the school building going". Board of Education custodians function today as building managers; they select and employ their own staffs, obtain specialized services from vendors, and request support services from other areas of the Board of Education. But the funds that appear in budget documents and expenditure reports identified for custodial services do not reflect the total funds dedicated to keeping the school buildings going.

This project was identified as a full cost analysis of the *operation* and the *maintenance* of school buildings. A succinct definition of these two cost components was provided in a report to the Fleischmann Commission*:

- *Operation* comprises the housekeeping tasks concerned with keeping the physical plant open and ready for use
- *Maintenance* includes the tasks required to keep all buildings, grounds, and equipment in good repair.

The funds usually identified for custodial services represent most of the funds consumed for the *operation* of school buildings. The full cost analysis will place stress on the total cost of *operation*, but will also include the total cost of *maintenance*, especially in so far as *maintenance* costs are found to be directly affected by *operation* policies and procedures.

The project has been organized to supply management with analysis of the effects of Board of Education policies and procedures on the cost of operation and maintenance of school buildings. With this in mind, the Project Management Team has begun to study historical trends and examine current operation. Specific objectives were established by the Deputy Chancellor:

- *During the current fiscal period* the project must identify means:
  - To increase the services provided by the custodial helpers and by the specialized staffs employed in the Bureau of Maintenance, within currently budgeted funding
  - To increase the employment opportunities for custodial helpers within currently budgeted funding

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*Fleischmann Commission: New York State Commission on the Quality, Cost and Financing of Elementary and Secondary Education; *Non-Instructional Services: A Study of Alternatives*; Peat, Marwick, Mitchell & Co.; April, 1971; pl.18.

- For the next fiscal period the project must identify means:

  . To decrease the cost of the operation and the maintenance of school buildings, maintaining the current quantity and quality of service.

The scope of the project is thus rather broad; it will cover many topics and should serve many purposes. The degree of success of the project depends though on developing a clear understanding of the nature and characteristics of the operation function, and the inter-relation of this function with the maintenance function. Perhaps some specific examples will illustrate the diversity of the problems to be discussed:

- The custodian is a civil service employee, yet he is given bulk sums of money to hire his own employees, non-civil service employees, and is given the authority by contract to make wage and fringe benefit agreements with these employees. Some of these employees are members of the same union (though different Locals) that represents the custodians. The result may be a severe loss of bargaining objectivity (and thus a possible loss of productivity) since the custodian, as management, must negotiate with other members of his own union

- The Bureau of Maintenance has the capability to perform elevator repair work and in many instances does do emergency repair work for custodians. Some custodians receiving such emergency repair work have at the same time sub-contracted elevator repair and maintenance to external vendors. The result may be a double charge to the Board of Education for elevator maintenance: the direct cost of the vendor contract and the indirect cost of the Bureau of Maintenance emergency repair work.

The thrust of the full cost analysis will be to develop a cost indicator: an annual figure for the cost of operation and maintenance of an average square foot of space in a school building. This information, when supplemented with comparative cost data from other New York City agencies, other school systems and private industry situations, should provide quantitative decision criteria on which to base new Board of Education policy.

The strategy of the Project Management Team will be for it to complete sample income and expenditure statements* for operation and maintenance costs for the last three years, plus the current fiscal period. These financial statements will then be analyzed, and cost allocation procedures used to calculate a figure for the cost of operation and maintenance of an average square foot of space in a school building. The statements will have provisions to include all sources of financial support for the areas of operation and maintenance, specifying appropriate budget lines in the Division of School Buildings and budget lines for administrative services (such as those provided by the Division of Business and Administration,) and will have provisions to include all expenditures even such indirect expenditures as various employee fringe benefits, utility costs and reimbursable items. The sample financial statements will ultimately be modified and improved, and then incorporated as formal reports regularly prepared for appropriate management of the Board of Education.

To date the Project Management Team has used as primary sources of information detailed computer generated reports made available by MIDP**, the standard Board of Education budget document, and an unpublished report*** prepared by the Office of Labor Relations and Collective Bargaining. The computer generated reports contained data on custodial helpers prepared for the management of the Bureau of Plant Operation, as well as data on male and female custodial helpers prepared for the unions representing the custodial helpers. Secondary sources of information included various personnel of the Production Control Unit of MIDP and the Custodial Payroll Unit of the Division of Business and Administration, and the Director of Facilities for the Sachem School District.* As the project continues Board of Education schools will be visited and a complete survey of key staff in the Bureau of Plant Operation and the Bureau of Maintenance will be undertaken so that the inter-relation of operation costs and maintenance costs and the effect of policies and procedures can better be understood. An additional dimension of the cost analysis will be provided by cost figures for similar operation and maintenance services performed in other New York City agencies, other school systems and private industry situations.

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*See Appendix: I.

**Bureau of Management Information and Data Processing, Division of Business and Administration.

***A number of graphs from this report are reproduced in several Sections of this Working Note; they are identified wherever used.

Section II of this report contains general background material on the the operation and the maintenance of school buildings at the New York City Board of Education. Particular attention has been given to the custodian and his contract. The preliminary findings on custodians are presented in Section III; this section is particularly important as the findings have direct impact on current custodial contract negotiations. The preliminary findings on hours worked by custodial helpers are presented in Section IV; this section is particularly important as the findings have direct impact on current policies and procedures. Section V presents a series of operation and maintenance policy alternatives, some able to be put into effect in the short term, that were developed from the findings discussed in Section III and Section IV. The last section of this report describes in brief the sub-projects that will be conducted to complete the remainder of the cost analysis. These sub-projects represent some twelve man-months of effort and are necessary to meet the objectives of this project. Each sub-project will be concluded by a Working Note such as this one.

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*The Director of Facilities for the Sachem School District (LI, NY) provided an overview of his operation and maintenance policies and also provided a tour of his central computerized energy management and plant security system.

Section II. Background

II. BACKGROUND

The operation and maintenance of school buildings is one major responsibility of the Division of School Buildings. Direct authority for operation resides in the Bureau of Plant Operation; direct authority for maintenance lies in the Bureau of Maintenance. In 1975-1976, the final budgeted amounts* for the Bureaus were 125.4 million dollars and 34.9 million dollars respectively. These amounts provided funds for some 1,000 custodians, 6,000 custodial helpers (the employees of the custodians), and over 900 specialized mechanics (in the Bureau of Maintenance); the funds also paid for fuel used in school heating systems and the administrative and support overhead of the Bureau of Plant Operation and the Bureau of Maintenance. Operation and maintenance services were provided to over 1,000 school buildings.

For at least 75 years the custodian has been the commanding figure in the area of operation and maintenance of school buildings, even though he is not directly responsible for maintenance functions:

> The Custodian shall generally be responsible for operating and maintaining his building in such manner as to keep it habitable for children or for others using services. He shall clean the building, provide heat, ventilation, elevator service and other services for which provision has been made in the building plant. He shall make minor repairs, keep the building safe and prevent undue wear or deterioration. He shall report on the need of repairs beyond the capabilities of the building force and he shall cooperate with the shop mechanics or outside contractors to expedite such repairs. He shall generally supervise all repair work and shall cooperate in scheduling such work to keep space available and service to the children at a maximum.
>
> The Custodian shall have full charge of all building service employees and shall be responsible for their acts and omissions. In addition to his utilitarian duties and responsibilities, the Custodian shall have a general responsibility to assist the educational system by developing the cultural function of environment.**

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*There are end-of-year conditions, as of the EM-322 modification of the budget.

**Rules and Regulations for the Custodial Force in the Public Schools of the City of New York; Board of Education; 1966; Section 3.1.

The Board of Education gives the custodian an allowance of money to satisfy these responsibilities at a specificed level of performance; the allowance has been calculated to be sufficient to pay for the salaries of the necessary employees, to buy the needed materials and capital equipment, and to provide earnings for the custodian. The Board of Education permits the custodian wide latitude in the methods and procedures he employs to meet his objectives, e.g., the custodian may hire his own employees and may negotiate wage and fringe benefit levels with the unions representing these employees. The autonomy and authority the custodian possesses, the functions he is responsible for, the contract he holds with the Board of Education and the schedules that determine his maximum possible salary make up an organizational system. The particular combination of factors just described, which is presently used in 99%* of the school buildings at the New York City Board of Education, has been called the indirect system.

An alternative to the indirect system was tried for sometime. When the boroughs were consolidated into the City of New York some of the school systems in Richmond and Queens were on a direct system. In this situation the Board of Education directly employed all workers under civil service titles and directly paid for all expenses. These direct system schools were maintained and others added as time passed, though the maximum number of schools under the direct system at any time never exceeded forty. Criticism of the high cost and poor service caused the gradual elimination of the direct system method and by January, 1950 the last direct system school was converted to the indirect system.

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*There are some schools that have been contracted to external vendors on an experimental basis to determine the cost effectiveness of this alternative method.

When it was learned in 1962 that the then current agreement with Local 891, representing the custodians, had made possible a $30,000 average yearly income among 850 custodians and had put some custodians among the higher-paid individuals in the country, some receiving more than governors, mayors of large cities, and the superintendent of schools in New York City the ensuing scandal forced a review of the custodial system*.

Since the Board of Education retains the right to use any system to provide custodial services in any or all of its school buildings, the Board of Education again proposed a direct system in 1964. It was felt at that time that this system would provide more control over all custodial service employees and over all expenses. However the system was never implemented because of the high cost estimate attached to the plan by the Bureau of Plant Operation. The Bureau of Plant Operation did suggest though that several buildings be operated under a contract system using private maintenance contractors and their employees to provide all custodial services. The contract system is like the indirect system: it functions under the concept of a performance contract wherein the Board of Education pays a "fixed" amount of money for a specified level of performance.

The Director of the Bureau of Plant Operation has estimated that the custodial service costs for the five schools eventually placed under the contract system are about 15% less than costs under the indirect system. Although the Bureau of Plant Operation has experienced some problems with contracting to external vendors, they have recommended that:

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*See Appendix: 15 for copies of the newspaper articles appearing in the New York Herald Tribune and the New York Times on October 19, 1964.

- The program be expanded to twenty schools, located in various areas of the city, to provide a broader base for cost comparisons

- A modified version of the contract system be tried in in a number of the school buildings mentioned above: Board of Education employees would operate the mechanical plant, and cleaning would be done after school hours by vendors.*

Before proceeding to a detailed discussion of the financial and political aspects of the present situation it is appropriate to examine two topics in depth: the indirect system and the allocation formula.

THE INDIRECT SYSTEM

There are three main features that characterize the indirect system:

- The employment status of the custodian and his relationship to the school system

- The contract between the custodian and the Board of Education

- The allocation formula and salary schedule used to determine the custodians operating funds and maximum permissible salary (this feature is discussed under the next section heading).

The custodian is a civil service employee, with rights to pension and fringe benefits as afforded other civil service employees. The custodian follows a career path that in some cases has begun in a cleaner title, has progressed to fireman, stationary engineer, then custodian (the custodian can move further, to custodial supervisor and ultimately Director of the Bureau of Plant Operation). With this advancement comes the requirement of belonging to the appropriate union representing the different positions, e.g., during the period an employee is a fireman or stationary engineer the appropriate union is Local 94 of the International Union of Operating Engineers (AFL-CIO).

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*Contract Custodial Service 1964 to 1976; Division of School Buildings; November, 1976; (See Appendix: 2 for a copy of the full report.)

The relationship that exists between the custodian and the resources which he effectively has at his disposal is expressed in the "Resource Interaction Chart", Exhibit I, on the following page. The control the custodian has over these resources falls into either of two categories:

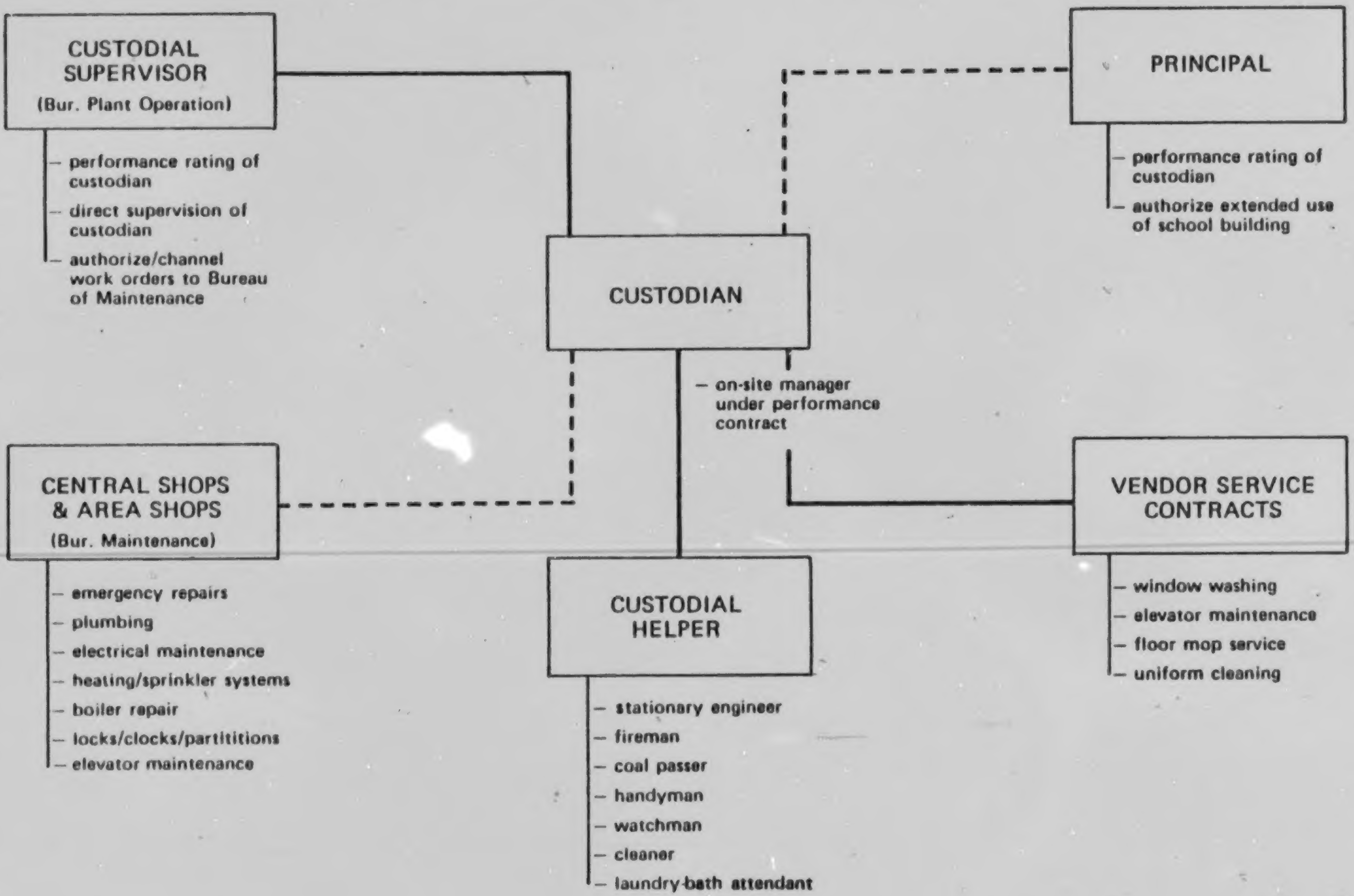
- Direct control over his employees and vendors whose costs are paid for through his allowance (it is in this area that he must exercise efficient cost controls)
- Indirect control over those relationships that he maintains with the principal, custodial supervisor, central shops and area shops (these services are not paid for through his allowance).

An example of direct control is seen in the authority the custodian receives through his contract to enter into sub-contract arrangements with external vendors, setting contractual fees independent of approval by the Board of Education. An example of indirect control over a relationship arises when a school principal authorizes an extra activity in the school after normal day school hours: the activity will take place if the fees to keep the school open are credited to the custodian by the principal. A further example of indirect control can be seen when there is an emergency situation: for example, if possible injury to a student may occur from broken door hardware the custodian may request emergency repair service from the local area shop of the Bureau of Maintenance even though normally he would have one of his handymen do this job.

The contract in the indirect system is a performance contract. The custodian is given a calculated allowance to provide custodial services in his school at a standard specified by the Board of Education. As a contractor the custodian must efficiently use his available resources in order to maximize the productivity of his funds and ultimately have sufficient funds left over to allow him earnings. The custodian's earnings are thus tied to his ability to perform on the job, and as a result the contract is called a performance contract.

EXHIBIT 1

RESOURCE INTERACTION CHART


CUSTODIAL SUPERVISOR
(Bur. Plant Operation)
– performance rating of custodian
– direct supervision of custodian
– authorize/channel work orders to Bureau of Maintenance
PRINCIPAL
– performance rating of custodian
– authorize extended use of school building
CUSTODIAN
– on-site manager under performance contract
CENTRAL SHOPS & AREA SHOPS
(Bur. Maintenance)
– emergency repairs
– plumbing
– electrical maintenance
– heating/sprinkler systems
– boiler repair
– locks/clocks/partititions
– elevator maintenance
CUSTODIAL HELPER
– stationary engineer
– fireman
– coal passer
– handyman
– watchman
– cleaner
– laundry-bath attendant
VENDOR SERVICE CONTRACTS
– window washing
– elevator maintenance
– floor mop service
– uniform cleaning

One note should be made: the relationships of the custodian with the principal and with the custodial supervisor are the only formal channels of feedback the Board of Education has available to determine the quality of service the custodian is rendering. These relationships should provide the basic information for control of the custodian's performance.

THE ALLOCATION FORMULA

As has been mentioned the indirect system directly funnels Board of Education funds to every custodian to provide the building services specified in the contract. At present there are two components that make up the allocation for the custodian: funds for normal day school activity and funds for extra activity, i.e., activity before 8AM and after 3PM.

The amount of normal day school funds is an estimate of the financial needs for the custodial services for a particular building for one year and is arrived at through a formula containing factors which adjust for distinguishing physical attributes of the building, e.g.,

- The type of building (Elementary, Jr. High School, High School)
- The number of square feet of floor space to be maintained
- The number of square feet of outside paved area to be maintained
- The type of heating system
- Whether or not the building has elevators, swimming pools or an annex to maintain.

There are at present seventeen such physical attributes taken into consideration in the allocation formula.

In addition to the normal day school allocation funds are provided to pay for the custodial services necessary to support extra activity. Schedules of school opening/closing fees and estimates of floor space usage costs have been established to relate the additional time necessary to clean and service floor space utilized during extra activity to the specific costs involved. The monies received by the custodian through these schedules are additional payments to the custodian's earnings and the custodial helpers' salaries, and will cover costs for the capital equipment and supplies used as well as any special service sub-contracts needed.

The custodian's earnings are limited though; a number of schedules determine the maximum permissible salary a custodian may obtain from any particular building assignment. The determining factors in these schedules are the number of square feet to be maintained in the building and the amount of extra activity conducted in the building. In our present indirect system, depending on the custodian and the events that occur in his building during a school year, one of the three things can be expected:

(1) The custodian will provide the services mandated under his contract, pay his staff and expenses, and earn his maximum salary with no excess funds at the end of the year

(2) The custodian will provide the services mandated under his contract, pay his staff and expenses, and earn his maximum salary with excess funds at the end of the year*

(3) The custodian will provide the services mandated under his contract, pay his staff and expenses, but not have sufficient funds left to earn his maximum salary (this condition has been referred to as a "deficit", and relates to the custodian, not the Board of Education; the deficit means a particular custodian could not control his expenses well enough to earn his maximum permissible salary.)

---

*The excess funds are to be returned to the Board of Education and are used to balance the budget in the Bureau of Plant Operation. In fact these funds are anticipated by the Board of Education in preparing the budget for the Bureau of Plant Operation.

All three cases are real situations that readily occur each year for Board of Education custodians.

Using data provided by the Production Control Unit of MIDP, a chart was prepared that categorizes the number of custodians achieving various percentages of their maximum permissible salary during the 1975-1976 fiscal period. The table is presented on the next page in Exhibit 2; it shows that 77% of all custodians achieved the maximum permissible salary under the schedules for their school assignment. It also shows that 95% of all custodians earned at least within 95% of their maximum permissible salary. Exhibit 3 on the second page following analyzes the total funds retained by the 241 custodians who exceeded their maximum permissible salary; the total funds retained are expressed in terms of a percentage of their maximum permissible salary. One custodian was actually 195% in excess of his maximum permissible salary after meeting all his expenses and his salary.

A basic premise in the performance contract is that the funds made available to the contractor should provide for the expenses and profits* attributable to maintaining a specified standard of custodial service in a given school. Since the financial results for the custodians seen in Exhibit 2 and Exhibit 3 were unexpected, one of three situations must theoretically exist:

- The custodians did not provide the specified level of service in their building(s) thereby allowing themselves the opportunity to achieve their maximum permissible salary
- The funds provided through the allocation formula are greater than are necessary for the specified services
- The custodians are very competent managers.

---

*Profit = Allocation - Expenses = Custodian's Earnings.

EXHIBIT 2

PERCENTAGE OF MAXIMUM PERMISSIBLE SALARY EARNED BY CUSTODIAN VS. NUMBER OF CUSTODIANS FOR 1975-1976 FISCAL YEAR

% OF MAX. PER.SALARY	NO. OF CUSTODIANS	% OF MAX. PER.SALARY	NO. OF CUSTODIANS	% OF MAX. PER.SALARY	NO. OF CUSTODIANS	% OF MAX. PER.SALARY	NO. OF CUSTODIANS	
100 %	766	90 %	2	80 %	–	70 %	–	
99 %	67	89 %	1	79 %	1	69 %	–	
98 %	47	88 %	3	78 %	–	68 %	1	
97 %	24	87 %	5	77 %	2	67 %	–	
96 %	19	86 %	1	76 %	–	66 %	–	
95 %	22	85 %	1	75 %	1	65 %	2	
	(945)*							
94 %	14	84 %	1	74 %	–	64 %	1	
93 %	11	83 %	1	73 %	–	63 %	–	
92 %	4	82 %	–	72 %	1	62 %	–	
91 %	7	81 %	1	71 %	–	61 %	1	
	981		16		5		5	Sub-total
							1007	TOTAL

---

* 95 % of all custodians earned at least
95 % of their respective maximum permissible salary.

EXHIBIT 3

PERCENTAGE OF
MAXIMUM PERMISSIBLE SALARY
RETAINED* BY CUSTODIAN
VS.
NUMBER OF CUSTODIANS
FOR 1975-1976 FISCAL YEAR

% OF MAX. PER. SALARY	NO. OF CUSTODIANS	% OF MAX. PER. SALARY	NO. OF CUSTODIANS	% OF MAX. PER. SALARY	NO. OF CUSTODIANS	% OF MAX. PER. SALARY	NO. OF CUSTODIANS	
100 %	144	150 %	3	200 %	–	250 %	–	
105 %	265	155 %	6	205 %	2	255 %	–	
110 %	124	160 %	5	210 %	–	260 %	–	
115 %	59	165 %	3	215 %	–	265 %	–	
120 %	49	170 %	6	220 %	1	270 %	1	
125 %	38	175 %	2	225 %	1	275 %	–	
130 %	14	180 %	2	230 %	–	280 %	–	
135 %	12	185 %	3	235 %	–	285 %	–	
140 %	13	190 %	3	240 %	–	290 %	–	
145 %	8	195 %	–	245 %	1	295 %	1	
	726 **		33		5		2	Sub-total
							766	TOTAL

* Monies retained in excess of maximum permissible salary are returned to the Board of Education at the end of custodian's fiscal year.

** 95% of all custodians having excesses ranging up to 45% of their maximum permissible salary.

THE PRESENT SITUATION

The basic features of the performance contract have been refined over a forty year period of bargaining sessions between the Board of Education and Local 891, representing the custodians. The contract now sets forth salary arrangements including allocation formulas, establishes limits on expenditures and earnings, specifies working conditions such as on the job hours and promotion rights, and describes pension and other benefits and a rating system.

In addition to the flexibility of his contractor status, the custodian also receives the security of the civil service system as a civil service employee of the Board of Education. This dual status provides rewards for high performance and guarantees a pension; it also provides freedom of action for the custodian as well as the protection of his union. In the past few years many of the reports issued on custodial services by various organizations have stated that the indirect system provides the custodian with the best of both worlds. A number of sections have been extracted from two of these reports that illustrate the reasons for the "best of both worlds" comment (from another point of view, though, it is interesting to question whether the Board of Education would extend equivalent "favored" treatment to external contractors):

- Each custodian, acting in his "entrepreneurial" role, hires all the employees he needs to maintain his school building; but:
  - There are no restrictions on the hiring of members of the custodian's family
  - There are no restrictions on the hiring of or minimal workloads for clerical personnel (e.g., bookkeeper) on the custodian's staff*
- Capital equipment (e.g., vacuum cleaners, floor sanders, floor waxers) is purchased by the custodian with money from his allotment for school maintenance: but:
  - There are no restrictions on utilization of the equipment for work outside of the schools

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*From a report on current custodial costs released by the Educational Priorities Panel on July 20, 1976; see Appendix: 3 for the full report.

  - Capital equipment may be depreciated and replaced in as little as three years (and when fully depreciated becomes the property of the custodian)

  - In addition, custodians may purchase jeeps for snow removal with 5/12ths of the purchase price coming from the Board of Education and the custodians paying the difference on their own. The cost of the snow plow and accompanying modifications are paid by the Board of Education. Personal use of the jeeps is unrestricted, and the vehicle is the property of the custodian. Once again, depreciation and replacement may take place in as little as three years (and when fully depreciated becomes the property of the custodian)*

- When a custodial vacancy occurs due to illness, another custodian is appointed temporarily until a permanent appointment can be made:

  - Custodians covering two schools are allowed to earn up to twice as much-- thus $62,000--as is earned by those covering one school (the actual earnings are dependent on the maximum permissible salary permitted by the schedules of each of the two schools)*

- Monies which are received by custodians which are above the amount which they are allowed to retain are labeled excess earnings. These funds must be kept in a separate special bank account in the custodian's name; but:

  - Custodians are allowed to keep the interest earned by these overpayments while on deposit

  - Excess earnings do not have to be returned to the Board of Education until 60 days after the close of the calendar year or separation from service

  - Custodians are not required to account for these funds until the time of the required annual refund*

- The average cost of custodial service is approximately $1.30 per square foot. When school space is unused, the charge (and the schedule allocation) for custodial services goes down; but:

  - The charges are reduced by 35.6¢ per square foot, leaving nearly one dollar per square foot in charges on unused space

  - The reduction in charges on unused space applies to amounts of over 6,000 square foot. Under that amount, the Board of Education must pay full maintenance charges even though the rooms in question are unused*

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*From a report on current custodial costs released by the Educational Priorities Panel on July 20, 1976; see Appendix: 3 for the full report.

- The determining factor for the normal day school allocation to the custodian is the floor area allowance (derived from a "manning schedule" used in 1962). The rationale for using the floor area is that, all other factors being equal, the amount of floor area to be serviced indicates the general resource requirements for the building. The floor area allowance is calculated on 44-hour work week and assumes a coal-fired heating system (with appropriate labor estimates for operating a coal-fired heating system). Even though adjustments are made to this floor area allowance for newer heating systems, the floor area calculation neglects both the present 40-hour work week and the effect of using new labor-saving equipment or using cost effective management techniques. The allowance has not been updated to reflect productivity improvements; the Board of Education could be advancing the custodian much more than sufficient funds to do his job.*

In the last three years contractual obligations with custodians, contractual obligations negotiated by custodians with their employees, and Board of Education service requirements have created an unmanageable financial situation in the Bureau of Plant Operation. A study of the appropriations and expenditures for the custodial service program was recently completed by the Office of Budget Operations and Review.** The results of the study are shown below; deficits have occurred in the amounts of 6 million, and 9.6 million dollars in the 1974-1975, 1975-1976 fiscal years:

FISCAL YEAR	FINAL BUDGET	EXPENDITURES	SURPLUS/DEFICIT
74/75	$ 97,585,176	$103,662,544	$(-) 6,077,368
75/76	$104,362,002	$113,942,664	$(-) 9,580,662
76/77	$ 98,229,451***	--	--

With pressure from the City of New York and the Emergency Financial Control Board to make agency-wide budget cutbacks, and in order to achieve budget balance within the custodial service program, substantial decreases were made in

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*Extracted from an unpublished report prepared by the Office of Labor Relations and Collective Bargaining.

**See Appendix: 4 for the full text of the report.

***This condition is as modified through EM-30 of the 1976-1977 fiscal year.

July, 1976 in the custodial services to be provided in fiscal 1976-1977; these actions resulted in heavy layoffs of custodial helpers. The net effects are summarized below:

- The Bureau of Plant Operation issued Circulars 11, 22, and 26* to record the reduction in a range of services that were provided previously by custodial helpers. The bulk of services cut were in the cleaning area, including for example:
  - Classroom cleaning frequency reduced from every day to every other day
  - Cafeteria mopping frequency reduced from every other day to once a eeek, plus spot mopping
- The total number of custodial helpers has been reduced by 1,424 persons, of which 938 were classified as "regular" employees.

THE COST ANALYSIS

It is clear that there are many areas of the custodial service program that require explanation; there are many factors in the custodial contract, whose impact on the cost of custodial services has not been fully documented nor are data readily available to be analyzed. The impact of custodial service costs over the full range of operation and maintenance costs for school buildings must be understood. A preliminary outline of the next steps in the cost analysis is presented in Section VI of this report. The next two sections put some perspective on the abuses alleged to custodians and discuss the trends in hours worked by custodial helpers.

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*See Appendix: 5 for copies of Bureau of Plant Operation Circulars 11, 22, and 26.

Section III. Preliminary Findings: Custodians.

III. PRELIMINARY FINDINGS: CUSTODIANS

The objective of the presentation in this section is to provide the reader with the detailed background necessary to fully understand the nature of the alleged abuses of the custodians' contract with the Board of Education. A sincere attempt has been made to relate each of the topics in this section, however the only overall relation is that as factors in the custodians' contract the topics discussed are either cost items or performance items in the custodial service program for school buildings.

THE CUSTODIAN AS EMPLOYEE AND MANAGER

The school custodian is a civil service employee of the Board of Education. The civil service requirement* for a school custodian specifies three years of practical experience in cleaning, operating and maintaining building structures and grounds and their related mechanical and electrical equipment; one year of this experience must have been in responsible charge of a building comparable to school buildings supervised by custodians in the Board of Education.

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*Complete civil service job descriptions for the custodian, which include the titles of school custodian and school custodian engineer, are included in Appendix: 6.

As a civil servant the custodian has all rights to fringe benefits,* including a pension plan, that any other civil servant receives. The only substantial difference is the classification "the ungraded service" that is applied to custodians. It means that a custodian's earnings are variable, with a fixed maximum, a guaranteed minimum, and a year-end value within this range that depends on his performance of his contractual responsibilities. Thus the monies he receives are considered earnings (variable) rather than salary (fixed).

It has been mentioned before that schedules determine the maximum permissible salary of a custodian in any single school. A chart to be discussed later in this section, Exhibit 9, will show custodians achieving earnings from $16,000 to over $40,000 per year. There are several reasons for these results: each school building possesses different physical attributes so each possesses a different limit on earnings for the custodian; different schools may have taking place different amounts of extra activity so the total revenue to the custodian from extra activity fees will vary; and lastly it is possible for a custodian to cover more than one school and so receive each school's maximum permissible salary. In general then there are two external mechanisms that affect a custodian's earnings: the larger the school, the more "features" it has, the greater the amount of extra activity taking place, the greater the maximum permissible earnings; also the more schools covered, the greater the custodian's earnings.

The custodian can thus achieve greater earnings (assuming he is already making his maximum permissible earnings in his assigned school) by moving up to a larger school (or of course, by covering more than one school.) This movement to progressively larger schools is in effect the custodian's merit system. Besides the direct effect on the current year's earnings, the movement has an important effect on the custodian's pension benefits. Since the pension benefit is calculated on the basis of a percentage of the square feet in the building multiplied by a dollar conversion factor, the larger the building the greater the pension benefit.

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*A description of the benefits provided for in the custodians' contract is included in Appendix: 7.

The movement to a larger school assignment by a custodian is determined by the custodian's performance. In order to judge the level of performance, to determine if the services paid for are being delivered, and thus also to assist in determining promotions, the Board of Education employs a rating system. The rating system was designed to be compatible with the School Decentralization Law in that the rating officers include pedagogues. The design concept was to have the Community School District Superintendents and High School Borough Superintendents be the key rating officers; the ratings would be based on their personal experience from visiting the schools and the consultation with the District Supervisors of Custodians who would maintain their own tallies of the custodians' performance.

The Board of Education rating system however never functioned properly. Ratings done in 1974 for ten schools by Community School District Superintendents were compared to ratings given by the District Supervisors of Custodians. The results* shown below indicate fairly wide variations in performance ratings by the two groups:

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*These results were extracted from a report on the rating system completed by the Bureau of Plant Operation; the full report is included in Appendix: 8.

Number of School	Superintendent's Rating	Supervisor's Rating
92	95	75
46	100	85.5
161	81	86
43	59.8	82
123	78	84
129	85	81
133	85	75
154	95	82
156	80	85.5
201	98.5	86.5

The management of the Bureau of Plant Operation felt that the ratings did not present a coherent picture of custodial performance; specifically the management felt that:

- There was no consulation between the users of custodial services and the management of the Bureau of Plant Operation
- The School Principals assigned the ratings and the Community School District Superintendents merely co-signed the rating documents without much discussion
- The disparities in ratings proved nothing and hurt everyone, and therefore should be dropped.

It is unfortunate that the study by the Bureau of Plant Operation did not also include data on the custodian's earnings versus his maximum permissible salary; such data would have shown any correlation between actual earnings and user performance rating. Such a correlation would have given additional objective evidence of the value of the rating system.

At the present time the rating of custodians by pedagogical personnel has been halted by legal action brought against the Board of Education during September, 1975 by Local 891, representing the custodians. The rating system is used at this time only by District Supervisors of Custodians to provide a basis for promotion recommendations; however, it is clear that no direct user of custodial services has any effectual input into the custodian's final performance rating.

The custodian is given a considerable amount of money to provide custodial services. As in private industry, the custodian is also given all the leeway he needs to eliminate bureaucratic inefficiencies and maintain maximum flexibility. In the indirect system the custodian hires his own employees. There are a number of New York City ordinances that require personnel to have special licenses if they work on certain power plants and heating systems; within this requirement, and within the normal requirements to provide adequate coverage for safety, the custodian is basically completely free to hire and schedule his employees as he sees fit.

In some areas the custodian's contract is very specific in noting what responsibilities the custodian has or does not have. For example, there is a constant problem with replacing panes of glass broken through vandalism. It is the custodian's responsibility to replace broken glass and re-putty all windows, but only within these limits:

- A maximum of 45 panes of glass in any one month when in a wood sash
- A maximum of 27 panes of glass in any one month when in an aluminum sash
- A maximum of 12 panes of glass in any one month when in a steel sash
- No glazing* will be done if the glass pane exceeds 45 inches when adding the length of any two adjacent sides
- No glazing* will be done in an aluminum sash if the person performing the operation must stand outside the window frame.

At times the needed replacements exceed these limits and it then becomes the responsibility of the Bureau of Maintenance to perform the work and bear the cost of personnel and material. Note that many newer schools make extensive use of aluminum and steel sashes, and of large panes of glass, so that this single factor in the custodians' contract can become costly quite rapidly.

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*Glazing refers to the complete operation of cutting glass to the appropriate window size, then fitting and securing the glass pane in the window sash.

An example of "shared" responsibility similar to the above exists in the maintenance and repair of elevators. In most cases a specialist is required to see that the equipment is safe, i.e., that the equipment is in good mechanical condition and all automatic safety devices are in operating condition. The custodian is allocated funds sufficient to maintain and repair elevators in his building; his choice is either to hire personnel for his staff to do this work, or else to sub-contract this work to an external vendor. It appears though that custodians are using the mechanics of Central Shops of the Bureau of Maintenance both for emergency situations and to do many of the normal routine adjustments and repairs in lieu of either of the above choices. The service provided by the Bureau of Maintenance, though, is not charged to the custodian, it is borne by the Board of Education. The problem with this situation then is that the Board of Education may pay twice for elevator maintenance: once since the allocation formula provides extra funds to the custodian to operate and maintain the elevator in the first place (which he may then use for staff or for a maintenance contract with a vendor,) and then again if the Bureau of Maintenance supplies services in duplication of services supposed to be provided by the custodian's own staff or by the vendor.

There are many such vague areas of responsibility and authority that will be fully examined during the conduct of this project; however they are not within the scope of this particular Working Note. Part of the reason for these vague areas is that the rulebook for custodians, The Rules and Regulations for the Custodial Force in the Public Schools of the City of New York, prepared by the Bureau of Plant Operation, is currently out-of-print as well as out-of-date.

Although circulars have been prepared by the Bureau of Plant Operation to keep abreast of new custodial contracts, a completely revised rulebook has not been issued since 1966. Appropriate rulebooks are not in the hands of users, Central Shops and Area Shops of the Bureau of Maintenance, or top management of the Board of Education.

There is however one last point that should be made concerning the managerial responsibility of the custodian. The custodian is required to be available and subject to call for emergencies for the protection of life and property on a 24-hour basis. He must be in attendance at any time he is required to attend to emergency matters. There are two key parts to this statement:

- Be available
- Be in attendance.

At present there is no direct communication link, other than through the telephone, whereby the custodian could be considered "on call" under the terms of the contract when the school building is closed. Some schools have leased security services with external vendors who will maintain the custodians' home phones on file; where these security services are used and an emergency or intrusion has occurred in the school building after hours, and has been detected, the vendor attempts to reach the custodian at his home. Response to these phone calls has been very poor*. In most cases when an emergency situation is anticipated, or did occur, and there is a response, it has been found that the custodian is represented by a fireman or in some cases a cleaner

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*Data are available from ADT Security Systems that shows that many times the only response from responsible authorities to an intrusion alarm in a school building comes when 911 is telephoned. Although custodians are notified, they usually do not respond, therefore ADT Security Systems began telephoning the police emergency number as well as the custodian.

(under these circumstances the custodian usually obtains reimbursement under an emergency situation condition for the overtime portion of the money he has paid his employee to represent him.) Unfortunately when no school authority is present to meet police, e.g., in the case of a burglar alarm, the police can take no action because the school building is locked. It has happened so often that the custodian do not respond that police rarely send patrol units to school buildings any more under these conditions. In effect then all experience indicates that the custodian is not available or in attendance on most occasion of this nature.

PERSONNEL PRACTICES

One of the major issues in custodians' personnel practices is nepotism. Since the custodian is responsible for the supervision and scheduling of his employees in addition to calculating and verifying their payroll, the practice of nepotism may go beyond merely favoritism in hiring family members. In some cases a custodian might:

- Give reduced workload
- Manipulate time records
- Give unreasonable amounts of overtime
- Schedule work hours during family vacation time specifically to earn extra money rather than to perform needed work.

One practice which appears prevalent is the employment of a female family member*, such as a daughter or wife, in a handyman's title; the tasks assigned to the family member however are those of a clerical** employee.

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*A study will be conducted shortly to verify the number of cases in which a custodian employs a female family member as a clerical and accounts for that person as a handyman.

**The clerical tasks include typing, filing, answering phones, and at times, assisting in payroll preparation.

To examine this practice in more depth it was necessary to look at the hours worked by female handymen in comparison with the total hours worked by both male and female handymen. Three year trend graphs indicate that female handymen have worked progressively more hours (Exhibit 4 on the next page) over the three years and have become an increasingly larger portion of the total handyman workforce. The actual percentages are given below:

FISCAL YEAR	HANDYMAN HOURS WORKED: REG., PART-TIME, CASUAL	PERCENTAGE TOTAL HANDYMAN HOURS WORKED BY FEMALE HANDYMAN
1975/76	1,162,110	26%
1974/75	1,107,972	22%
1973/74	984,908	19%

There are possible abuses in this situation:

- If the female handymen are performing mainly clerical tasks, it is questionable that they should receive the rather high hourly wage of the handyman*. On an annual basis with a forty-hour work week the handyman wage equals $13,686 per year. This is much more than is paid to administrative employees in civil service titles performing similar clerical tasks.
- If the female handymen are performing mainly clerical tasks, then they are not performing as handymen. There is a loss in productive capability; tasks of mechanical and electrical repair that would have been performed by handymen serving as handymen are not being done. There is also increased cost to the Board of Education since the handyman productivity loss means an increased workload for the Bureau of Maintenance.

There is one additional personnel area that has considerable import and that is the area of reimbursable personnel expenditures. The Board of Education reimburses the custodian in addition to his regular schedule allowance, for wages paid to custodial helpers under the following conditions:

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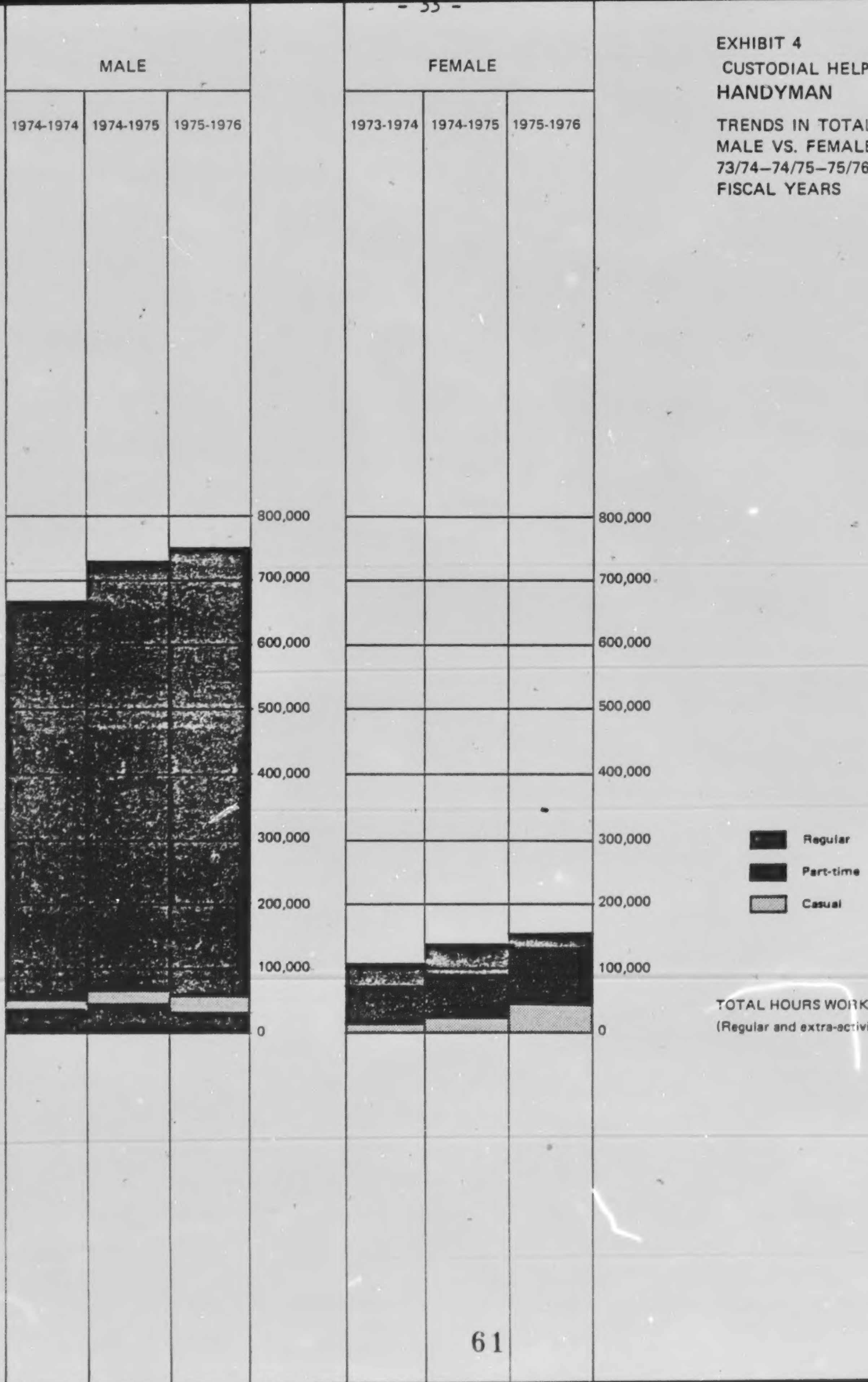
*See Exhibit 5 on the second page following.

EXHIBIT 4
CUSTODIAL HELPERS:
HANDYMAN

TRENDS IN TOTAL HOURS
MALE VS. FEMALE
73/74–74/75–75/76
FISCAL YEARS



TOTAL HOURS WORKED
(Regular and extra-activity hours)

EXHIBIT 5

CUSTODIAL HELPER

HOURLY WAGE AND
FRINGE SCALES EFFECTIVE FOR
73/74–74/75–75/76
FISCAL PERIODS

1973-1974			1974-1975			1975-1976			
Wage	Welfare*	Pension*	Wage	Welfare*	Pension*	Wage	Welfare*	Pension*	
6.73	.22	.15	7.19	.32	.15	7.71	.32	.25	Stationary Engineer
5.60	.22	.15	6.06	.32	.15	6.58	.32	.25	Fireman (Local 94)
5.38	.22	.15	5.84	.32	.15	6.36	.32	.25	Coalpasser
5.60	.19	.14	6.06	.19	.19	6.58	.19	.29	Fireman (Local 74)
5.60	.19	.14	6.06	.19	.19	6.58	.19	.29	Handyman
4.29	.19	.14	4.64	.19	.19	5.04	.19	.29	Watchman
4.26	.19	.14	4.61	.19	.19	5.01	.19	.29	Cleaner
4.17	.19	.14	4.52	.19	.19	4.92	.19	.29	Laundry-Bath Attendant

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* Monies paid directly to unions by Board of Education.

** Effective April 1, 1974.

- Employees hired to replace custodial helpers on sick leave (up to a limit of eight days per year per custodial helper)

- Employees hired to replace custodial helpers after the first 21 calendar days of their vacations (at present a custodial helper with five years or more of service receives a 30 calendar day vacation; the Board of Education is committed to reimburse the custodian for wages paid to any replacement employees hired for the extra nine calendar days of vacation owed to custodial helpers with five years or more of service).

- Employees hired to replace custodial helpers that have been terminated but are entitled to vacation time

- The overtime portion of all wages paid to custodial helpers for emergency work that may occur on Saturdays, Sundays, or holidays, or that would

  extend an employee's normal work day beyond eight hours. Such emergency work would include snow removal, cleaning fire and vandalism damages, etc.

- The shift-differential portion of all wages paid to custodial helpers under special conditions* for hours worked between 6PM and 8AM.

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*The special conditions are as follows (extracted from the present custodial contract:

> Effective July 1, 1971 an employee shall receive a shift-differential of 5% of the basic hourly rate for each hour worked between 6PM and 8AM if the employee's daily work period has been regularly scheduled for at least 3 continuous months and such daily work period begins between 12 Noon and 12 Midnight. Such differential shall be retroactive to the starting date of the shift but not earlier than the effective date (7-1-71). Basic hourly rate excludes overtime. Shift-differential shall apply to full-time employees only. Reimbursement will be made in accordance with need as submitted in report by custodians.

The costs associated with these reimbursements amounted to $3,162,344 in fiscal year 1975-1976. Exhibit 6 on the following page illustrates the pattern of expenditures for such reimbursable costs since July, 1973; the peaks displayed in the September-October periods are due to vacation time reimbursements. Note that these reimbursable costs have increased during the three year period; the graph also shows the peak vacation period to be during July and August.

These reimbursable monies are considered additions to the gross allocation a custodian receives for his building, thereby increasing the limit* on the capital equipment he may purchase. Also, and most importantly, there is a question that should be asked at this point: would the custodian run his operation more efficiently if he had to handle these "reimbursable items" directly out of his allocation? That is, would the custodian be more careful of costs, would there be more investment in manpower planning for contingencies if the custodian knew that, e.g., he couldn't get a replacement employee "for free" anytime a custodial helper took a day of sick leave? Would this planning result in lower costs if contingencies didn't materialize?

FINANCIAL REPORTING, EXCESS FUNDS, EARNINGS FOR CUSTODIANS

The custodians' earnings represent approximately 25% of the total cost for custodial service. If estimates of fringe benefits and pension costs were included with the custodial earnings, the total cost of custodians amounted to

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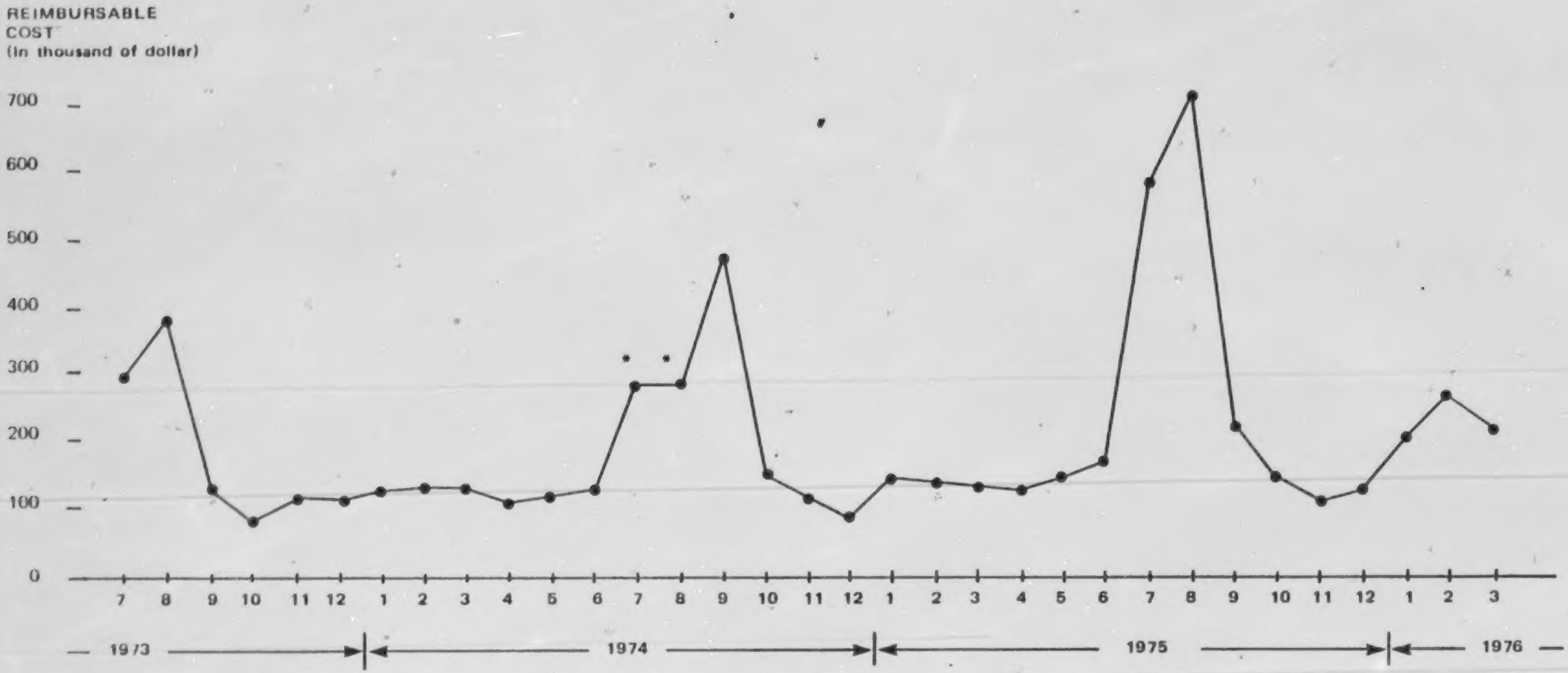
*There is a limit placed on the amount of capital equipment a custodian can purchase in any year; the custodian is limited to 2% of the gross allocation he receives for his building.

EXHIBIT 6

REIMBURSABLE CUSTODIAL COST



* THE COST OF THESE 2 MONTHS WERE PAID AS A COMBINED FIGURE IN AUGUST, 1974; FOR SIMPLICITY IN THIS ANALYSIS THE SUM WAS DISTRIBUTED EQUALLY TO EACH MONTH.

29.9 million dollars in 1975* for 945 custodians; the average cost of a custodian to the Board of Education was thus $26,249. This is one reason that the custodians' earnings have been the focus of a number of reports, studies, and audits in recent years. The fact that some custodians have in the past earned more than the Mayor of New York City has only served to increase the interest in the custodians of Board of Education school buildings.

The subject of custodians' earnings is rather complex and should not be introduced without some additional discussion. Previous sections have mentioned the custodians' sources of funding (the normal day school allocation and the extra activity allocation,) the maximum permissible salary schedules, and the general concept of excess and deficit; a brief review of the inter-relationships of these factors is important.

At the end of each quarter in the custodians' fiscal year MIDP forwards to Local 891, representing the custodians, a financial statement** of custodians' earnings. This is a computer generated statement which lists for each school (custodial assignment) the funding received, the expenses paid for, the monies retained by the custodian, the custodian's maximum permissible earnings, and any excess/deficit condition applicable. It enables the custodian to see how much money:

- The Board of Education gave him
- He spent

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*This was calculated for the custodians' fiscal year of January 1 to December 31, 1975; see Schedule A: Custodian Cost in Appendix: I for estimates of total custodian cost to the Board of Education in 1973, 1974, 1975.

**A sample copy of this report is shown in Exhibit 7 on the following page. This particular copy is for the first quarter of fiscal year 1976; the file number heading identifies the custodian. This report is sorted by school; another report is available with a sort by file number (custodian.)

EXHIBIT 7

NET RETAINED REPOR
FOR CUSTODIANS:
FIRST QUARTER 1976

BORO SCHOOL	FILE NUMBER	INCOME DAY	INCOME EXTRA ACTIV	TOTAL	EXPENSES	NET RETAINED	COMB.MAX. PERMISSABLE	EXCESS OR DEFICIT
2105	511828	19,896.88	410.24	20,307.12	13,842.87	6,464.25	4,412.42	2,051.83 EXCESS
2106	519516	16,725.58	732.67	17,458.25	13,466.33	3,991.92	4,525.92	534.00 DEFICIT
2107	513673	17,573.09	685.89	18,258.98	12,146.46	6,112.52	4,469.04	1,643.48 EXCESS
2108	516830	11,241.88	180.10	11,421.98	6,917.66	4,504.32	3,977.62	526.70 EXCESS
2109	239064	16,432.72	92.15	16,524.87	11,873.89	4,650.98	4,110.04	540.94 EXCESS
2110	237211	12,995.51	270.58	13,266.09	10,142.61	3,123.48	3,149.97	26.49 DEFICIT
2110	514394	4,989.80		4,989.80	3,612.80	1,377.00	1,157.70	219.30 EXCESS
2111	515794	18,555.26	274.17	18,829.43	14,136.26	4,693.17	4,278.50	414.67 EXCESS
2112	514206	16,287.01	153.41	16,440.42	10,888.99	5,551.43	4,069.68	1,481.75 EXCESS
2113	508815	25,677.01	357.18	26,034.19	20,588.90	5,445.29	4,883.77	561.52 EXCESS
2114	508942	13,912.46	498.29	14,410.75	10,571.51	3,839.24	4,317.48	478.24 DEFICIT
2115	513318	20,463.40	2,985.29	23,448.69	15,038.63	8,410.06	6,375.51	2,034.55 EXCESS
2116	514370	29,287.68	132.50	29,420.18	21,313.84	8,106.34	4,843.53	3,262.81 EXCESS
2117	513670	20,957.09	2,893.59	23,850.68	16,690.33	7,160.35	6,434.37	725.98 EXCESS
2118	514553	19,104.67	3,711.56	22,816.23	16,736.00	6,080.23	6,710.52	630.29 DEFICIT
2119	517471	9,849.97	160.17	10,010.14	6,086.21	3,923.93	3,962.67	38.74 DEFICIT
2120	514780	21,257.23	523.17	21,780.40	16,989.51	4,790.89	4,688.50	102.39 EXCESS
2121	509886	17,142.88	4,238.83	21,381.71	14,769.67	6,612.04	6,974.15	362.11 DEFICIT

- He has in excess of his allowed earnings that he may carry over to the next quarter, or must return to the Board of Education (if it is the end of the fiscal year;) or if he is in deficit, how much of his potential earnings is he not realizing, or won't realize (if it is the end of the fiscal period)

- He is allowed to retain (his maximum permissible earnings.)

A great deal of confusion centers about the definitions Net Retained*, Combined Maximum Permissible**, Excess***, and Deficit***; each of these terms must be understood. The relationships are applicable for each individual assignment, i.e., the relationships between terms are maintained for custodian, for each school assignment of the custodian; thus the cost for a custodian working in two schools can be identified and apportioned to each school. Three conditions may arise from these relationships:

- The Net Retained may be greater than the Combined Maximum Permissible, therefore the custodian would have received an excess of funds for his assignment and money must be returned to the Board of Education:

Net Retained	Combined Max. Permissible	Excess/Deficit
$20,000	$18,000	$2,000, Excess

In this example the custodian's earnings were $18,000.

- The Net Retained may be less than the Combined Maximum Permissible, therefore the custodian would not have earned his full permissible salary. This condition is called a deficit:

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*The Net Retained is not the same retained as was described in the background section; Net Retained is the amount of funds the custodian has available to him at any given time after he has paid his personnel and equipment expenses but before he has paid himself anything.

**The Combined Maximum Permissible includes the maximum permissible salary determined by schedule for normal day school activity as well as the maximum permissible salary determined by a sliding rate scale for extra activity.

***The Excess and Deficit are as was described in the background section.

Net Retained	Combined Max. Permissible	Excess/Deficit
$15,000	$16,000	$1,000, Deficit

In this example the custodian's earnings were $15,000*.

- It is also possible for the Net Retained to equal the Combined Maximum Permissible, therefore the custodian would have earned his full permissible salary and has no excess funds to return to the Board of Education:

Net Retained	Combined Max. Permissible	Excess/Deficit
$24,000	$24,000	--

In this example the custodian's earnings were $24,000.

It is possible to prepare a formula for determining the total cost of custodian's earnings, based on the definitions just given:

Net Retained (what the custodians have in funds before removing earnings)

- Excess (what the custodians must return)

= (WHAT THE CUSTODIANS MAY KEEP)

= Combined Max. Permissible (what the custodians could possibly earn)

- Deficit (what the custodians did not earn.)

A report combining the results for several custodians would look as follows:

	Net Retained	Combined Max. Permissible	Excess/Deficit
	$20,000	$18,000	$2,000, Excess
	$15,000	$16,000	$1,000, Deficit
	$24,000	$24,000	--
Total	$59,000	$58,000	$2,000, Excess $1,000, Deficit

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*Note that no money is owed, no money was spent beyond what was available. The deficit label merely indicates that a particular custodian earned less than the maximum he was permitted to earn. His performance was not good enough to control his expenses.

Using the formula* for this report example gives the total cost of custodians' earnings as $57,000:

Net Retained	$59,000	$58,000	Combined Max. Permissible
- Excess	$ 2,000	$ 1,000	- Deficit
	$57,000 =	$57,000	

Therefore the earnings of the custodian can be changes, i.e., increased or decreased, by how much money the Board of Education allocates to his school building, and then ultimately, by what the Combined Max. Permissible is. The Combined Max. Permissible will be discussed shortly; at this time some facts on the Excess figure should be mentioned.

Because the custodian is given his allocation in a series of equal payments over the year, and because it has been found that the heavier portion of his expenditures are usually in the last quarter of his fiscal year**, the custodian usually finds himself with an excess of monies in his bank account during most of the year. For example at the end of September, 1976 the custodians had $1,248,068 of excess funds in bank accounts, and by the end of December 1976, the figure had grown to $3,121,214.45. Though the excess funds must be returned to the Board of Education within 60 days after the fiscal year ends, the funds are usually not returned until June 30 of the following year***. This means that the Board of Education has lost the use of these funds for a considerable period of time, in some cases as much as six months after the close of the fiscal year. These funds are usually kep in interest bearing accounts and provide additional earnings to the custodian since the custodian is allowed by contract to keep the interest. If 1975 is taken as an example, the interest that could have been earned on this excess money, if compounded quarterly at 6%, would have been $174,411.

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*Using the formula on the computer generated statement in Exhibit 7 would not give reconcilable results; the computer programs used to produce these statements do not do sufficient error checking on data submitted.

**This fact will be discussed in Section IV; graphs of this data are available in Exhibit 19 and Exhibit 20.

***The fact that the Board of Education does not enforce collection of these funds when due illustrates the poor control of the Board of Education has over the custodial service program.

Another point should be made: the Net Retained monies are required by contact to be held in a separate trust fund for the Board of Education by the Custodian. The custodian is not required by the Board of Education to account for this trust fund prior to the time of the required annual refund of all monies in excess of the Combined Maximum Permissible. In practice these trust funds are very rarely set up and the Board of Education has found it very difficult to coleict excess funds should a custodian be dismissed, quite, retire or pass away. Since 1964 there has been approximately $500,000 lost in uncollected funds. The Corporation Counsel for the City of New York is now in the process of trying to recover the funds owed to the Board of Education (from 1974 onwards only) by former Board of Education custodians or their estates.

Lastly, since the custodial helpers are employees of the custodian and not the Board of Education, their payroll is prepared by the custodian and drawn against his own bank account. In the past taxes were withheld for the custodian helpers by the Board of Education from the custodians' monthly allocation based upon the custodian's payroll report from the previous month. This procedures broke down last year due to a lack of formal bookkeeping records; the Board of Education continued to pay withholding taxes but did not make deductions from the custodian's monthly allocations. During this period custodians amassed several thousand of dollars in their private bank accounts. At the present time the Board of Education continues to forward withholding taxes for custodial helpers directly to the Federal Government, but the Board of Education does not make automatic deductions from a custodian's monthly allocation. Custodians now submit their personal checks for reimbursement of the withholding taxes. The arrears in back taxes owed to the Board of Education by the custodians has been reduced to approximately one month, but there are problems in the new procedure in that some custodians do not make timely payments, some checks have not been backed by sufficient funds, and some custodians do not pay at all. It is interesting also that the Board of Education lists itself as employer of the custodial helpers when paying withholding taxes and preparing W-2 forms, rather than naming itself the paying agent of the custodians. There appears to be no real reason why this practice should continue; again it illustrates the present lack of management direction and control of the custodial service program.

The most sensitive area of the custodial service program has been the custodians' earnings as a result of the indirect system. In a recent report by the Educational Priorities Panel the earnings of the school custodians in New York City were compared with the salaries of the school custodians of Buffalo; Buffalo has the only other indirect system in New York State. The following is the description of the Buffalo indirect system as presented in the Educational Priorities Panel report:

A description of the Buffalo Indirect System:

Buffalo has the only other indirect custodial system in New York State. The system has 90 schools, 89 of which are covered by the indirect method. The Board of Education in Buffalo is satisfied with the system, as are the custodians. An outside study recommended that all schools be placed under the indirect system. There are, however, important differences between the two systems;

- Buffalo's custodians are civil service salaried employees; they do not derive their pay for a "retainage" of Board of Education monies, as is the case in New York City; they are paid according to a fixed salary schedule. Further, salaries are markedly lower in Buffalo:

Maximum Pay for a 40-hour week

Buffalo	$15,160.00
New York City	$26,312.00

The salary differential cannot be explained by general salary levels in the two cities, as shown in the US Department of Labor figures:

For intermediate and higher level salaries for a family of four:

	Buffalo	New York City
Intermediate	$16,283	$17,498
Higher	$23,617	$27,071

Buffalo's system also provides more inexpensive coverage at the lower end of the salary scale. Approximately 1/4 of the schools in the system are cared for by 2nd and 1st class custodians, whose salaries reach a maximum of $11,069 and $12,934 respectively, for a 40 hour week, while the maximum figure for those covering the smallest schools in New York City is $17,931. Also,

- The custodians in Buffalo have much less control over their operations than do their New York City counterparts. Hiring and firing practices are monitored by the Buffalo Board of Education. The Board enumerates the number of employees which the custodian may hire, according to the size of the school.

- Maintenance allowances are calculated so that excess earnings are non-existent

- Covering the breakfast program is included as part of the custodian's normal duties.

There is one major similarity between the two systems; capital equipment is purchased with Board of Education money, and is owned and depreciated by the custodian*.

There are additional points to be explained since the Buffalo 40-hour work week only accounts for a New York City custodian's normal day school income. In New York City, custodians charge fees for services provided for extra activity, i.e., for activities scheduled by a school before 8 and after 3. The schedule for extra activity income allows the custodians to earn a portion of these extra activity fees for himself, as well as to pay for the costs of staff, supplies, and equipment utilized. Also New York City custodians receive compensation for covering more than one school should a temporary vacancy occur in a school; this will be discussed in detail shortly. Therefore when extra activity income and compensation for covering an additional school are included, a custodian in New York City may earn well over the $26,000 figure quoted in the Educational Priorities Panel report**. For example, Exhibit 8 on the following page contains a distribution of custodians by annual earnings for the years 1972 through 1975. The data are given in cumulative increments and show for example that:

- In 1975, fifteen custodians earned over $40,000
- In 1975, three hundred and forty-three custodians, 34% of all New York City custodians, earned over $26,000.

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*The full text of the Educational Priorities Panel report appears in Appendix: 3.

**It must be realized that the figures presented at this point are for conditions for more than the 40-hour work week or the normal day school income mentioned in the Buffalo comparison; the objective was to show just how much money a New York City custodian can earn, in relation to what custodians in other areas are accustomed to earning.

EXHIBIT 8

DISTRIBUTION OF CUSTODIANS BY ANNUAL EARNINGS, CUMULATIVE
1972-1975

EARNINGS (less excess) (in thousands $)	NUMBER OF CUSTODIANS 1975	1974	1973	1972	PERCENT 1975	1974	1973	1972
$ 40 and over	15	9	1	0	1.5	0.9	0.1	0.0
$ 38 and over	18	15	2	1	1.8	1.5	0.2	0.1
$ 36 and over	26	30	6	1	2.6	3.0	0.6	0.1
$ 34 and over	48	50	15	2	4.8	5.0	1.5	0.2
$ 32 and over	78	79	25	14	7.7	7.9	2.5	1.3
$ 30 and over	166	174	55	21	16.5	17.4	5.6	2.0
$ 28 and over	232	256	153	79	23.0	25.6	15.5	7.5
$ 26 and over	343	345	213	125	34.1	34.5	21.5	11.8
$ 24 and over	510	467	318	175	50.6	46.7	32.1	16.5
$ 22 and over	727	631	502	293	72.2	63.0	50.7	27.7
$ 20 and over	878	814	715	487	87.2	81.3	72.2	46.0
$ 18 and over	931	886	857	734	92.5	88.5	86.6	69.4
$ 16 and over	951	918	924	852	94.4	91.7	93.3	80.5
TOTAL	1,012	1,002	990	1,058	100.0	100.0	100.0	100.0

* This data was extracted from an unpublished report by the Office of Labor Relations and Collective Bargaining.

The important question is what is in the New York City custodians' contract that allows these kinds of earnings figures. It was mentioned before that the determining factor on earnings was the Combined Maximum Permissible; to understand this fully it is necessary to review several contract statements:

> (a) The Maximum Permmissible Retained Earnings for Day School Service shall mean the maximum permissible retainage for day school services for each custodial assignment
>
> (b) The Maximum Permissible Retained Earnings for Extra Activity Service shall be limited by a table of percentages of gross activity income received from each custodial assignment
>
> (c) The Combined Maximum Permissible Retained Earnings for all regular day school services and extra activities shall not exceed for the calendar year 1975, $31,000, or the total amount determined in "(a)" and "(b)" herein in each respective calendar year, whichever is smaller. Earnings in temporary case assignments shall not be considered or included for the purpose of these limits.

Essentially then all limitations apply to single custodial assignments. If a custodian should cover two assignments, two school buildings, in a given year each assignment is considered a discrete activity and the custodian may earn the maximum permissible salary for each assignment. At this point a mention of some trends and some further explanation are necessary:

- The cost of custodial services has increased significantly; in the last year alone expenditures by custodians for their employees, supplies, and capital equipment has increased 10.6%, from from $71,273,000 to $78,852,000. The gross cost per location requesting custodial services increased 10.3%, from $89,296 to $98,462. A more complete financial picture is shown on the next page in Exhibit 9

EXHIBIT 9

COST OF CUSTODIAL OPERATIONS
1974-1975

	1975	1974	PERCENT CHANGES
Gross Payments to Custodians	$ 106,062,000	$ 97,600,000	8.7 %
For Day Services	94,763,000	85,108,000	11.3
For Extra Activities Services	11,299,000	12,432,000	– 9.1
Expenditures of Custodians	78,852,000	71,273,000	10.6
Net Retained Earnings	27,216,000	26,339,000	3.3
Combined Maximum Permissible Earnings	25,222,000	24,005,000	5.1
Deficit	426,000	440,000	– 3.2
Excess	2,411,000	2,761,000	– 12.7
No. of Location	1,073	1,056	1.6
Gross Cost Per Location (Actual $)	98,462	89,296	10.3
No. of Custodians	1,012	1,002	– 1.0
Earnings Per Custodian (Actual $)	24,511	23,531	4.2

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* This data was extracted from an unpublished report by the Office of Labor Relations and Collective Bargaining.

- There has been a decline in extra activity income to the custodian as a result of cutbacks in the Continuing Education program and a decrease in the after school use of school buildings by various organizations; the fees for extra activity use of school buildings have risen as much as 150% in the period from 1971 to 1975 explaining in part the drop in after school use of school buildings. For example, the extra activity fees for playground and athletic field service use after 7 PM on weekdays has increased 44%; the fees charged to keep a fireman on duty during this period has increased 150% (the complete list of increases in extra activity fees is given in Exhibit 10)

- The normal day school maximum permissible salary is becoming more and more important to the custodian; the fees and hence the derived income to the custodian from extra activities have been declining steadily as a percentage of total custodial service costs. From a high point of 18.3% reached in 1970, the extra acitvity fees fell to 10.7% in 1975, the lowest figure recorded in the decade. (The trend in the percentage of gross payments to custodians for normal day school costs vs. extra activities costs is shown in Exhibit 11.)

The impact of these trends underscores the importance to the custodian of the income derived from normal day school activity, which he can alter only by assignment to a school with a larger day school allocation or by covering more than one assignment. Exhibit 12 on the third page following presents a distribution of custodians by the number of assignments covered during the period of 1972 through 1975. The results for 1975 indicate that 39.3% of all custodians had two or more assignments during the year, approximating the percentages for 1973 and 1972. The number of multiple assignments however rose sharply to include 52.8% of all custodians in 1974; there were an unusually large number of retirements that year, resulting in the unusually large number of temporary care assignments.

Exhibit 12 included multiple assignments derived from temporary care duty and also from transfer. The effect of temporary care duty on a custodian's earnings are relatively straight-forward. Each school assignment is treated

EXHIBIT 10

PERCENTAGE INCREASES IN EXTRA ACTIVITIES FEES FROM 1971-1975

WEEKDAYS, 3 – 5 P.M.
– INCREASE OF 129%

WEEKDAYS, 5 – 7 P.M.
– PLAYYARDS AND ATHLETIC FIELD SERVICE, INCREASE OF 42%
– ADDITIONAL FOR FIREMAN, INCREASE OF 150%
– ALL OTHER SERVICES, INCREASE OF 70%

WEEKDAYS, AFTER 7 P.M.
– PLAYYARDS AND ATHLETIC FIELD SERVICE, INCREASE OF 44%
– ADDITIONAL FOR FIREMAN, INCREASE OF 150%
– ALL OTHER SERVICES, INCREASE OF 70%

WEEKDAYS AND HOLIDAYS, FIRST SESSION
– PLAYYARDS AND ATHLETIC FIELD SERVICE, INCREASE OF 47%
– ADDITIONAL FOR FIREMAN, INCREASE OF 70%
– ALL OTHER SERVICES, INCREASE OF 69%

* This data was extracted from an unpublished report by the Office of Labor Relations and Collective Bargaining.

EXHIBIT 11

NORMAL DAY SCHOOL COSTS AND EXTRA ACTIVITIES COSTS AS A PERCENT OF GROSS PAYMENTS TO CUSTODIANS

	Normal Day School Costs	Extra-Activities Costs
1975	89.3 %	10.7 %
1974	87.3	12.7
1973	85.8	14.2
1972	85.7	14.3
1971	83.6	16.4
1970	81.7	18.3
1969	82.5	17.5
1968	83.7	16.3
1967	82.9	17.1

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* This data was extracted from an unpublished report by the Office of Labor Relations and Collective Bargaining.

EXHIBIT 12

DISTRIBUTION OF CUSTODIANS BY THE NUMBER OF ANNUAL ASSIGNMENTS*

1972 TO 1975

NUMBER OF ASSIGNMENTS	CUSTODIANS				PERCENT			
	1975	1974	1973	1972	1975	1974	1973	1972
1	614	473	606	682	60.7	47.2	61.2	64.4
2	332	405	325	300	32.8	40.4	32.8	28.4
3	62	109	52	55	6.1	10.9	5.3	5.2
4	4	10	3	10	0.4	1.0	0.3	0.9
5	–	3	4	7	–	0.3	0.4	0.7
6	–	2	–	3	–	0.2	–	0.3
7	–	–	–	1	–	–	–	0.1
TOTAL	1,007	1,001	990	1,058	100.0	100.0	100.0	100.0
2 or more assignments	398	529	384	376	39.3	52.8	38.8	35.5

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* INCLUDES OFFICIAL TEMPORARY CARE, TEMPORARY CARE, TRANSFER, ETC.

** This data was extracted from an unpublished report by the Office of Labor Relations and Collective Bargaining.

separately, the earnings in each school are derived by standard procedures, then the earnings are simply added together. However, the practice of assigning these temporary care schools to custodians has been questioned since the custodian must share his time between, two or more buildings, but has the potential of earning the Combined Maximum Permissible of each building. The important question for the Board of Education is whether the custodian can possibly provide full service in each school since he is on 24-hour call in each school, and since each school is considered a full time activity during normal day school hours?

The effects of a transfer in custodial assignment on a custodian's earnings are less straight-forward. The principal effect is the ability to retain a higher percentage of the extra activity income, with a result that may allow the custodian to earn more than the $31,000 limit prescribed in the contract. The reason is that the amount of the extra activity fees a custodian is allowed to retain is determined by a sliding rate scale*.

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*The following passage was extracted from the current custodial contract:

"Maximum Permissible Retained Earnings for Extra Activity Services" shall mean the amount computed in accordance with the following table of percentages of gross activity income received from each custodial assignment:

Over	But not Over		Of Excess Over	
Up to $3,000 annually			75%	
$ 3,000	$ 5,000	$2,250 plus	50%	$ 3,000
5,000	7,000	3,250 plus	30%	5,000
7,000	15,000	3,850 plus	25%	7,000
15,000	20,000	5,850 plus	20%	15,000
20,000	22,000	6,850 plus	15%	20,000
22,000	25,000	7,150 plus	10%	22,000

As the total of the fees increase, the amount the custodian is allowed to retain from each additional increment decreases. However, this is for one custodial assignment. The custodian can earn more from two identical six month assignments than he can from one twelve month assignment. Perhaps two examples will illustrate the effects:

- Assume a custodian had two identical, successive six-month assignments during the year with no overlap in coverage; also assume that he had extra activity fees of $5,000 in each school, for a total of $10,000 in extra activity fees. Referring to the footnote beginning on the previous page, and noting that each assignment must be treated separately, the custodian is allowed to retain $3,250 from each assignment's extra activity fees, for a total of $6,500. If the custodian had only one assignment, with fees of $10,000, he could have retained only $4,600

- Assume a custodian had two successive six-month assignments during the year with no overlap in coverage. In the first school there was a maximum permissible salary for normal day school activity of $24,000 for the year, plus there were extra activity fees of $7,000 during the six-month period; the custodian is allowed to retain $12,000 plus $3,850, or $15,850 from this assignment. In the second school there was a maximum permissible salary for normal day school activity of $26,000 for the year, plus there were extra activity fees of $15.000 during the six-month period; the custodian is allowed to retain $13,000 plus $5,850, or $18,850 from this assignment. The Custodian's combined total earnings for one year, without multiple assignments having overlap, were thus $34,400, greater than the contract maximum of $31,000.

To summarize the important facts: the costs for custodial services have been increasing, the fees charged for after school use of school buildings have risen, and the normal day school activity income has emerged as the principal factor in the custodian's earnings. However, through multiple assignments* for a custodian, either by coverage of more than one school as in the case of temporary care duty, or by transfer to another school during the school year, a custodian can earn more than the $31,000 limit placed in the contract, and can retain more of the extra activity income than expected. In 1975, 14.3% of all custodians reached or exceeded the $31,000 limit. The statistics for this group were as follows:

- 31% had a single assignment
- 15% were transferred from one school to another school without overlapping service
- 54% had temporary care of a building in addition to their regular assignment.

The trend for four years is included in Exhibit 13 on the following page.

CAPITAL EQUIPMENT, DEPRECIATION, AND OWNERSHIP

Capital equipment which is used by the custodian in the operation of his building is paid for and depreciated against his school allocation. The custodian contract broadly defines capital equipment as durable items having an anticipated life of three years and a purchase price in excess of $350. The contract states that:

- Capital equipment may be purchased up to 2% of the custodian's combined annual gross allowance** for day school and extra service in each school assignment

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*It should be mentioned that multiple assignments for custodians are made by the management of the Bureau of Plant Operation.

**Usually referred to as the custodian's school allocation, but includes reimbursable expenses when applicable.

EXHIBIT 13

CUSTODIANS EARNING THE MAXIMUM PERMISSIBLE AND OVER
1972-1975

	1975	1974	1973	1972
Combined Maximum Permissible	$ 31,000	$ 30,000	$ 29,250	$ 28,250
No. At Maximum Permissible	46	43	40	29
No. Over Maximum Permissible	99*	122*	68*	40*
Percent At Maximum Permissible	4.5	4.3	4.0	2.7
Percent Over Maximum Permissible	9.8	12.2	6.9	3.8
Average of Those Over Maximum	$ 34,899	$ 33,716	$ 32,390	$ 31,302

* EARNINGS FROM REGULAR ASSIGNMENT IN ADDITION TO TEMPORARY CARE OF ANOTHER FACILITITY.

** This data was extracted from an unpublished report by the Office of Labor Relations and Collective Bargaining.

- The capital equipment may be prorated equally each month as an expense based upon the cost of the items and on an anticipated useful life of either 3, 4, or 5 years at the option of the custodian

- If the custodian dispenses of the property at any time within 5 years from the date of purchase, while still an employee of the Board of Education, the Board of Education shall be given full credit in the year of disposal for the amount realized on such disposition in excess of the cost not yet charged off by the custodian

- Miscellaneous expenditures for capital equipment in the category of "jeeps" and other motor equipment with special accessories or modifications (e.g., snow removal equipment) shall be limited to:
    - The full cost of the reasonable and motive accessories to and special modifications of such motor vehicles for school use shall be acceptable as an adequate cost
    - Where the motor vehicle is being used for snow removal purposes only, 5/12 of the remaining cost of the vehicle shall be added to the cost of the accessories and motive modification.

There are many costly effects in these contractual agreements:

- The equipment that Board of Education custodians are allowed to fully depreciate in as little as 3 years is kept considerably longer (as much as 15 years) in other school systems*. Further, the custodian receives title of ownership to all capital equipment after the equipment is fully depreciated, therefore it can be to his advantage to depreciate equipment as quickly as possible

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*The Director of Plant Management for the Sachem School District noted that he kept floor waxers/polishers 15 years.

- The contract states that when a piece of capital equipment is disposed of within the five year date of purchase limit, the Board of Education is entitled to some recapture if the custodian is still in the employ of the Board of Education. The Custodial Payroll Unit has advised that when a custodian leaves the Board of Education, because of the particular wording in the contract, he is in fact entitled to all the miscellaneous equipment, tools, and capital equipment which he has purchased out of his allocated funds without possibility of recapture. This loophole can be particularly costly in a year in which many custodians choose to retire

- There are no specific limits or restrictions on the personal use of capital equipment before title of ownership is passed to the custodian. Since repair and maintenance of this capital equipment is charged to miscellaneous expense by the custodian, the Board of Education can potentially fund the full cost for maintenance for its own use as well as for personal use of the equipment by the custodian.

- There are no specific restrictions on the type of capital equipment purchased for a given school; for example, it is possible to purchase a jeep with a snowplow for a school with a very little paved area. This fact, considered in light of no restrictions on personal use of capital equipment, leads to the possibility of heavy purchasing of capital equipment without intended use for Board of Education purposes.

CONCLUSION

In a recent audit report* on custodial service costs for the Board of Education, the New York State Comptroller's Office stated that:

> "...had the Board of Education placed all schools on contract** in calendar year 1975 we estimate that a savings of 27.5 million dollars, 26.6 percent of current cost, could have been effected with no material reduction in service."

The audit projects savings based on a sample of only five schools and therefore the total savings figure is somewhat suspect, the true savings may be significantly different; however, the results for just the five schools sampled clearly suggest excessive costs in the Board of Education's indirect system.

In as much as it is clear that the custodian is a determining factor for costs for the operation and maintenance of school buildings, this section has attempted to discuss the impact of contractual autonomy and authority on costs. The exact cost to the Board of Education for each policy agreed to in the contract is calculable, however those calculations required time outside the limits set for this first *Working Note*. These calculations, including appropriate analysis, will be the subject of a forthcoming *Working Note*. Several modifications of present policy within the current contract are suggested, however, as they require little additional backup material for support; these modifications are presented in Section V. Section IV will present the findings on the hourly work patterns of custodial helpers.

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*The tentative draft audit report including the preliminary reply by the Board of Education is included in Appendix: 9.

**Note that the contract referred to was a contract with an external vendor for custodial services. In this contract the external vendor provided custodial services for extra activity for free; if there was extra activity in the school the cost savings to the Board of Education would have been that much greater by comparison.

Section IV. Preliminary Findings: Custodial Helpers

IV. PRELIMINARY FINDINGS: CUSTODIAL HELPERS

The employees of the custodian are frequently identified *en masse* by the name of "custodian helpers;" in the 1975-1976 fiscal period this group was paid $75.82 million dollars in wages which represented 67% of the total budget allocated to custodians for custodial services*. As the single largest expense for custodians, and being the cost factor directly affected by the 1976-1977 budget retrenchment in custodial services, the Project Management Team chose to begin its detailed analysis of the costs of the operation area with a study of custodial helpers.

There are seven distinct titles within "custodial helper:" included are stationary engineer, fireman, coal passer, handyman, watchman, cleaner, and laundry - bath attendant. This staff performs nearly all the manual labor for the services specified in the custodial contract: excluded in some schools might be specialized services such as elevator maintenance, window washing, dust mop cleaning and the like which the custodian has chosen to contract to external vendors. Exhibit 14 on the next page lists each custodial helper title, the union representing the title, and the primary area of responsibility for that title. Detailed job descriptions were never developed by the Bureau of Plant Operation in order to allow the custodian greater flexibility in assigning duties to specific personnel. For example, a handyman may assist as a cleaner when necessary if so instructed by a custodian.

The custodian is the foreman of his custodial helpers, assigning duties on a regular basis and modifying tasks on an as-needed basis. It is clear

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*This is an end-of-year condition, as of the EM-229 modification of the budget.

EXHIBIT 14

CUSTODIAL HELPERS:
DESCRIPTIVE SUMMARY OF TITLES, UNIONS, PRIMARY AREAS OF RESPONSIBILITY

TITLE	UNION	PRIMARY AREA OF RESPONSIBILITY
Stationary Engineer (Licensed)	Local 94*	operates and maintains heating systems utilizing high-pressure boilers
Fireman	Local 94* or Local 74**	operates and maintains standard heating systems utilizing low pressure boilers
Coal Passer	Local 94*	moves fuel for coal-fired boilers
Handyman	Local 74**	performs electrical and mechanical repair work as able
Watchman	Local 74**	provides security services as needed
Cleaner	Local 74**	performs cleaning, mopping, floor-waxing, dusting, etc.
Laundry-Bath Attendant	Local 74**	maintains laundry (towel) areas in schools with swimming pools

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* International Union of Operating Engineers (AFL-CIO)

** Service Employees International Union (AFL-CIO) that the custodian does have the flexibility to schedule employees in a cost effective way. He has the authority to hire an employee in any of three classifications, viz.,

- Regular employee, employed on a 40 hour per week basis
- Part-time employee, employed on a regular basis but less than 40 hours per week
- Casual employee, employed on a irregular basis.

The custodian has an additional variable under his control; he can compensate the custodial helper at any of three wage rates, viz.,

- Regular or straight-time pay
- Premium or overtime pay (at 50% over regular pay)
- Shift-differential pay (at 5% over regular pay).

As the Project Management Team began collecting data on custodial helper work patterns* it became clear that two separate analyses should be done. It was important to uncover and to understand any historical trend in hours worked and also to investigate any operating cycle present in the hours worked. Thus "hours worked" by custodial helpers was examined, grouping all titles together, and then a second examination was made of individual titles. This was done for the fiscal years 1973-1974, 1974-1975, and 1975-1976 to develop the trend survey, and was done in detail for 1975-1976 to develop the operating cycle. Graphs of these data and the results for the grouping of all titles will be discussed in this section. The graphs of individual titles have been placed in the appendix** for convenience; the individual title graphs should be of particular importance to management in the Division of School Buildings as an aid in determining manpower scheduling policies.

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*See Appendix: 10.

**See Appendix: 11.

THREE YEAR TRENDS

Exhibit 15 on the following page displays trends in total hours combining all titles of custodial helpers over the last three years; five individual graphs are included in the exhibit:

- Total equivalent hours paid, which identifies a cost equivalent* for the total hours worked by custodial helpers after adjusting for hours worked at overtime rates and for hours worked at shift-differential rates
- Total hours worked, which is equal to the hours worked on the job, independent of whether the hours were worked at regular, overtime, or shift-differential rates:
  - By regular employee classification
  - By part-time employee classification
  - By casual employee classification
- Value Indicator, which shows the fraction of an hour of work output delivered by the custodial helpers for each hour of work paid.**

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*The cost equivalent concept is based on the following definition:

total equivalent hours paid x regular wage rate =

total hours worked (at regular pay) x regular wage rate

+ total hours worked (at overtime pay) x overtime wage rate

+ total hours worked (at shift-differential pay) x shift-differential wage rate

If there were no overtime or shift-differential adjustments to be made, then total equivalent hours paid would equal total hours worked and the Board of Education would be receiving maximum cost effectiveness (i.e., it would be paying the least costly wage rate for hours worked.)

**The value indicator concept is based on the following definition:

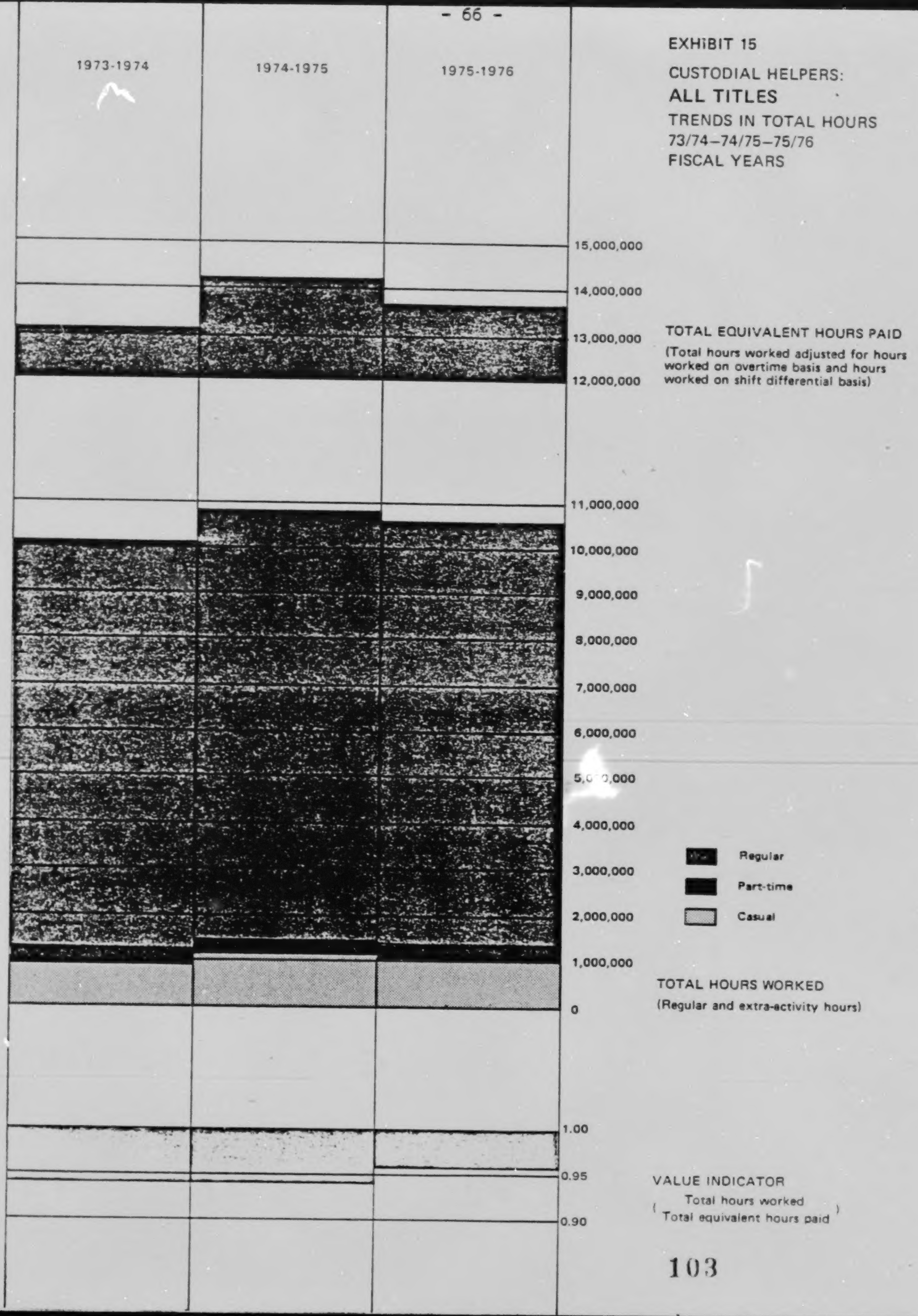
value indicator = total hours worked ÷ total equivalent hours paid

If there were no overtime or shift-differential adjustments to be made, then total equivalent hours paid would equal total hours worked and the value indicator would be equal to one. If there were overtime and shift-differential adjustments to be made, then total equivalent hours paid would be greater than total hours worked and the value indicator would be less than one. The Board of Education receives maximum cost effectiveness if the value indicator equals one.

EXHIBIT 15

CUSTODIAL HELPERS:
ALL TITLES

TRENDS IN TOTAL HOURS
73/74–74/75–75/76
FISCAL YEARS



One example should tie these concepts together. Assume that custodial helpers worked 1000 hours total in a given time period, of which 900 hours were at the regular wage rate, 50 hours were at the overtime wage rate and 50 hours were at the shift-differential wage rate. Assume also that the regular wage rate is \$1.00 per hour, the overtime wage rate is \$1.50 per hour, and the shift-differential wage rate is \$1.05 per hour. Using the formula given in the footnote on the previous page, the total equivalent hours paid can be calculated:

total equivalent hours paid × \$1.00 per hour =

(900 hrs. × \$1.00 per hour)
+ (50 hrs. × \$1.50 per hour)
+ (50 hrs. × \$1.05 per hour) = \$1027.50

thus total equivalent hours paid = \$1027.50 ÷ \$1.00 per hour

thus total equivalent hours paid = 1028 hrs.

The meaning of total equivalent hours paid should be clear: the Board of Education paid for 1028 hours at the regular wage rate to obtain 1000 hours of on-the-job work when full consideration is given to overtime and shift-differential costs. The value indicator provides quick insight into these overtime and shift-differential costs:

$$\text{value indicator} = \frac{\text{1000 hrs (total hours worked)}}{\text{1028 hrs (total equiv. hrs. paid)}}$$

thus value indicator = 0.97

The 0.97 figure for the value indicator means that the Board of Education received 0.97 hours of work for every hour of work it paid for.

The graphs in Exhibit 15 indicate an increase in total hours worked from 1973-1974 to 1974-1975; the fact that the value indicator remained unchanged during this period verifies that hours worked at overtime and shift-differential rates grew with the same percentage as total hours worked. The fiscal period 1975-1976 shows a decrease of 3% in total hours worked over the previous period, but in this case there was an improvement in the value indicator of 2% from 0.94 to 0.96 (the improvement in the value indicator is an improvement in efficiency for the Board of Education.)

To retain perspective at this point, there were approximately 13 million hours worked on the job in fiscal 1975-1976 by custodial helpers. The Board of Education paid regular wage rates for these hours worked; the Board of Education also paid the equivalent of 611,513 hours at regular wage rates to compensate custodial helpers for overtime and shift-differential work. The cost of these 611,513 hours was a loss of employment opportunities for custodial helpers. There were 295 equivalent full-time jobs lost in the Board of Education's fiscal period 1975-1976 through overtime and shift-differential consumption. It is projected* that 238 equivalent full-time jobs will be lost in 1976-1977. Nearly two hundred and forty full-time personnel could return to the custodial helper work force in the current year if overtime and shift-differential work were to be eliminated.**

ONE-YEAR OPERATING CYCLE

Figure 17 illustrates the hourly work patterns of custodial helpers by pay period from July 10, 1975 to June 12, 1976, the total 1975-1976 fiscal year.

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*See Exhibit 16 on the following page for the calculation; the data was extracted from the tables in Appendix: 10.

** The full projection must of course be pro-rated for the portion of the fiscal year remaining; the projection of 238 equivalent full-time jobs lost was for the entire 1976-1977 fiscal period.

EXHIBIT 16

FULL-TIME EMPLOYMENT OPPORTUNITIES LOST FOR CUSTODIAL HELPERS THRU OVERTIME AND SHIFT DIFFERENTIAL COSTS 1975-1976 vs. 1976-1977

TOTAL EQUIVALENT HOURS LOST THRU OVERTIME AND SHIFT DIFFERENTIAL COSTS

1975-1976		1976-1977		
1st Quarter	1st+2nd+3rd+4th Qtrs.	1st Quarter	1st+2nd+3rd+4th Qtrs.	
1,509	10,011	1,713	—	Stationary Engineer
36,713	240,259	29,638	—	Fireman (Local 94)
304	1,519	298	—	Coalpasser
3,615	25,937	2,587	—	Fireman (Local 74)
10,617	66,607	10,392	—	Handyman
1,120	5,678	1,116	—	Watchman
46,966	261,383	25,636	—	Cleaner
3	119	0	—	Laundry-Bath Attendant
100,847	611,513	81,380	—	TOTAL

TOTAL EQUIVALENT FULL-TIME EMPLOYMENT OPPORTUNITIES LOST*

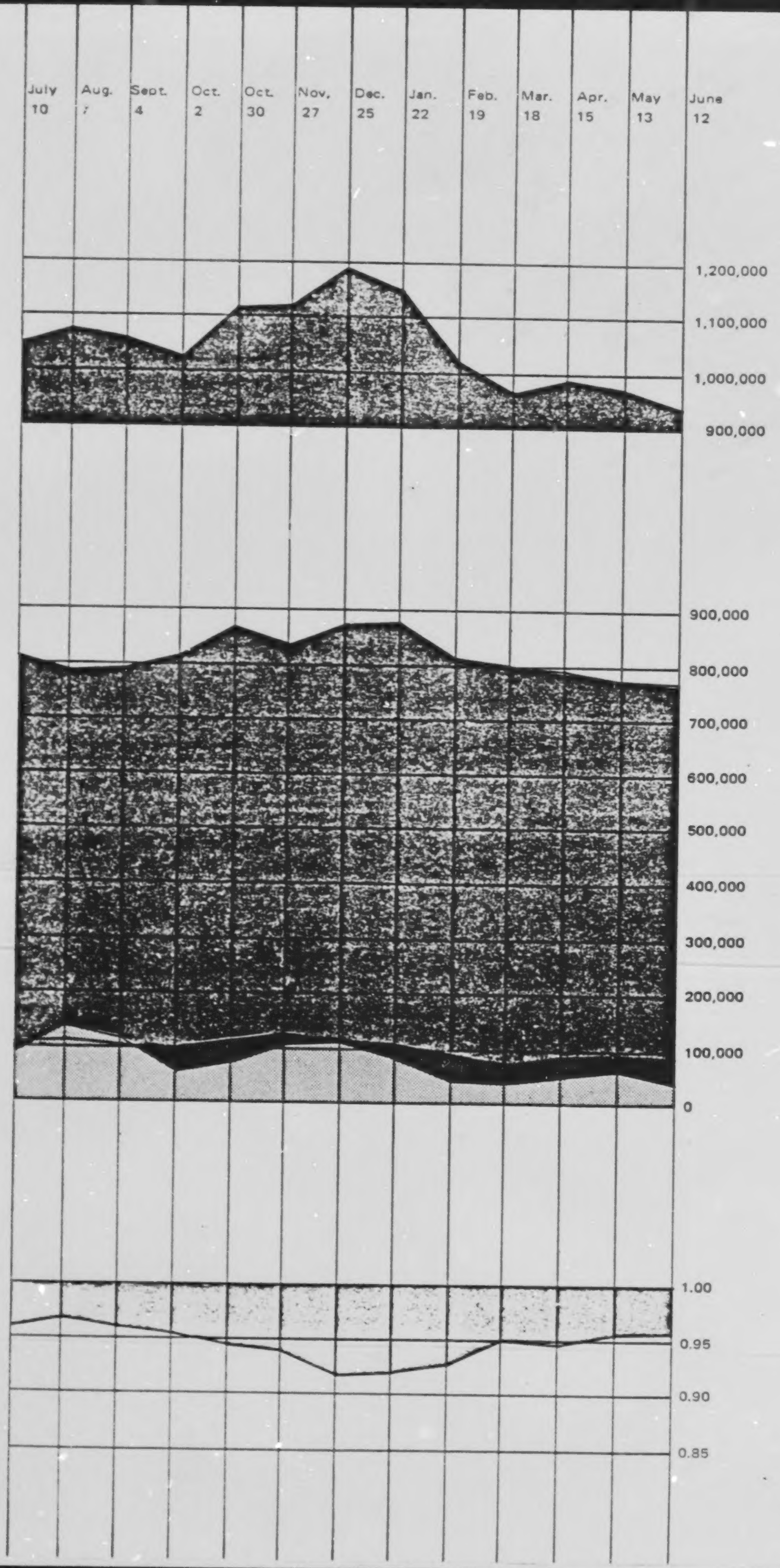
1975-1976		1976-1977		
1st Quarter	1st+2nd+3rd+4th Qtrs	1st Quarter	1st+2nd+3rd+4th Qtrs.	
3	5	3	—	Stationary Engineer
71	116	59	—	Fireman (Local 94)
1	1	1	—	Coalpasser
7	12	5	—	Fireman (Local 74)
20	32	20	—	Handyman
2	3	2	—	Watchman
90	126	69	—	Cleaner
0	0	0	—	Laundry-Bath Attendant
194	295	159	238**	TOTAL

* Calculation based on:
40 hrs/wk X 52 wk/yr = 2080 hrs/full-time employment opportunity in one year
or 520 hrs/full-time employment opportunity in one quarter.

** Projection based on 1975-1976/1976-1977 ratios.

EXHIBIT 17

CUSTODIAL HELPERS:
ALL TITLES
HOURLY WORK PATTERN BY PAY PERIOD
1975-1976 FISCAL YEAR



TOTAL EQUIVALENT HOURS PAID
(Total hours worked adjusted for hours worked on overtime basis and hours worked on shift differential basis)

TOTAL HOURS WORKED
(Regular and extra-activity hours)

VALUE INDICATOR

$$\left(\frac{\text{Total hours worked}}{\text{Total equivalent hours paid}}\right)$$

This twelve month survey covers one school year, if any operating cycles are present they should appear on these graphs. In addition to finding operating cycles, it was also important to verify any definitive manpower scheduling policies among the classifications of regular, part-time and casual employee, i.e., it was important to verify for example if the hourly work patterns of regular and part-time employees were supplemented during peak periods by additional casual employee hours worked. Several important facts emerge from the exhibit:

- There is a broad peak centered in December in the hourly work pattern for total hours worked
- There is no apparent inter-relation among regular, part-time, and casual employee classifications, i.e.,
  - There is almost a 10% fluctuation in the average number of hours worked by regular employees over the year (thus the hours worked by regular employees is not constant)
  - Part-time employees and casual employees exhibit fairly constant workloads per pay period although the general trend for casual employees is downward from beginning to the end of the fiscal year (thus part-time and casual employees appear to have more regular trends than regular employees do)
- There is a broad valley in the value indicator centered in January. This valley specifically indicates increasing overtime and shift-differential percentages following the broad peak in total hours worked that was observed in December.

The results discussed above leave some unanswered questions. The broad peak in hours worked is understandable; according to Section 4.1.3 of The Rules and Regulations for the Custodial Force in the Public Schools of the City of New York*

> The Custodian shall thoroughly clean his school building before the opening of schools in September each year and also during the Christmas and Easter holiday periods.

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*Rules and Regulations for the Custodial Force in the Public Schools of the City of New York; Board of Education; 1966.

In addition, the November-December-January period has many holidays and a significant amount of custodial work can be done.* But why is it then that there is no peak in hours worked in April, during the Easter holiday season? Also why is it necessary to have increased percentages of overtime and shift-differential during the November-December-January period since the schools are often closed anyway?** Lastly, why could not casual employees be brought in during the peak period? It is the hours worked by regular employees that are peaking in December which seems to contradict the concept of a regular employee.

As the cost analysis proceeded to the preparation of financial statements, several items were found which seemed to impact the aforementioned questions. Three graphs appear on the following pages; these graphs display Board of Education allocations to custodians per quarter (over the past three years,) the percentages of these allocations spent by custodians to provide services less the custodians' earnings, and the percentage of these allocations spent to provide services including the custodians' earnings. Exhibit 18, the allocation graph, shows explainable variations:

- The impact of differing contractual service demands as a result of Board of Education policy changes
- The effect of pay increases (including retroactive pay) for custodial helpers
- The effect of variations in the number of working days in the period.

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*During the Nov.-Dec. '76 period for example, there are forty-five days available to hold normal school classes; however schools are closed for holidays a total of ten of these available forty-five days, allowing ten days of ideal working conditions during the regular Mon.-Fri. work-week.

**Note that the value indicator drops during this peak period indicating increased use of overtime and shift-differential compensation.

EXHIBIT 18

CUSTODIAL INCOME

DAY AND EXTRA ACTIVITY
INCOME FOR EACH QUARTER
1974-1976 CALENDAR PERIODS

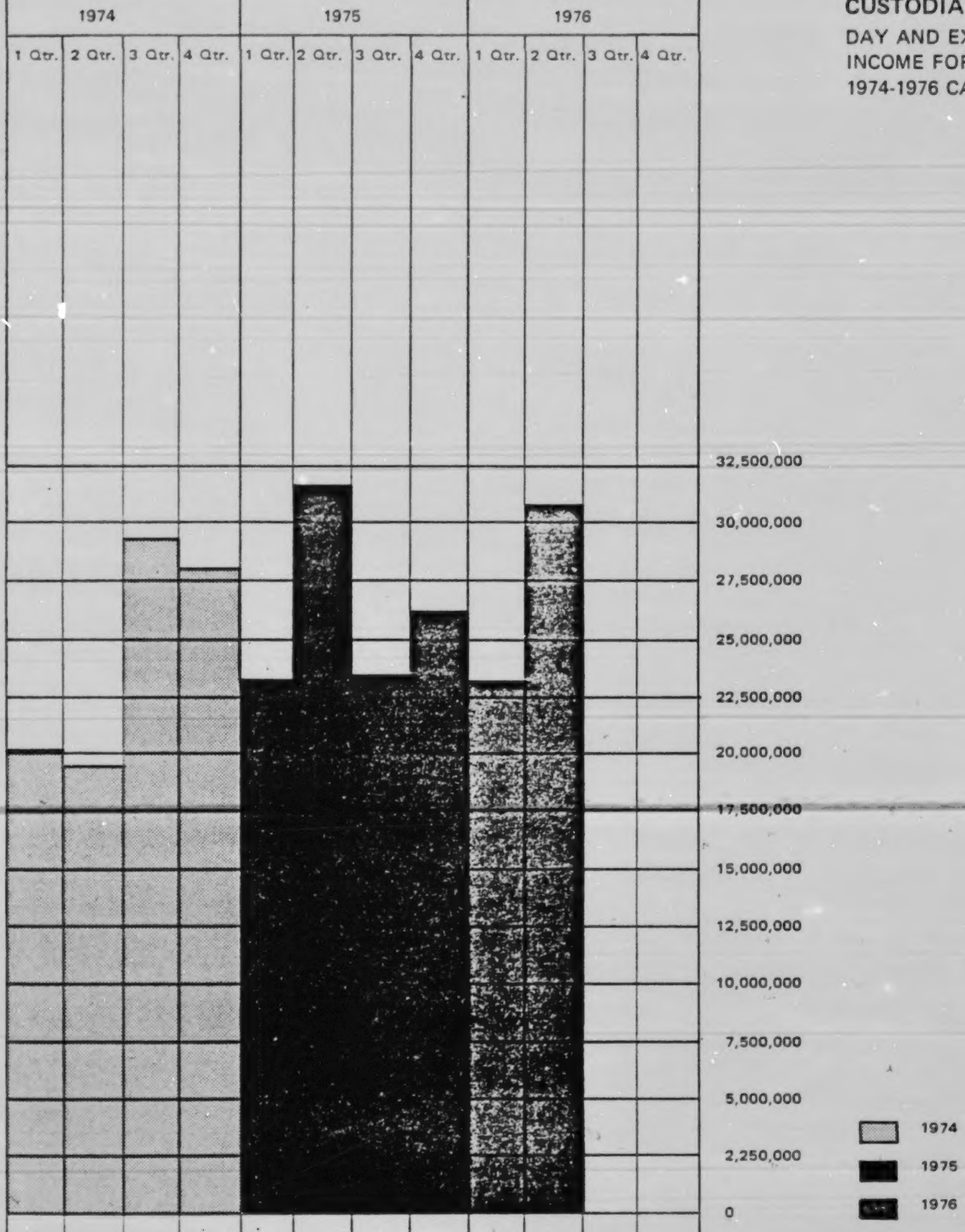

EXHIBIT 20

CUSTODIAL EXPENDITURE PLUS CUSTODIANS' SALARIES

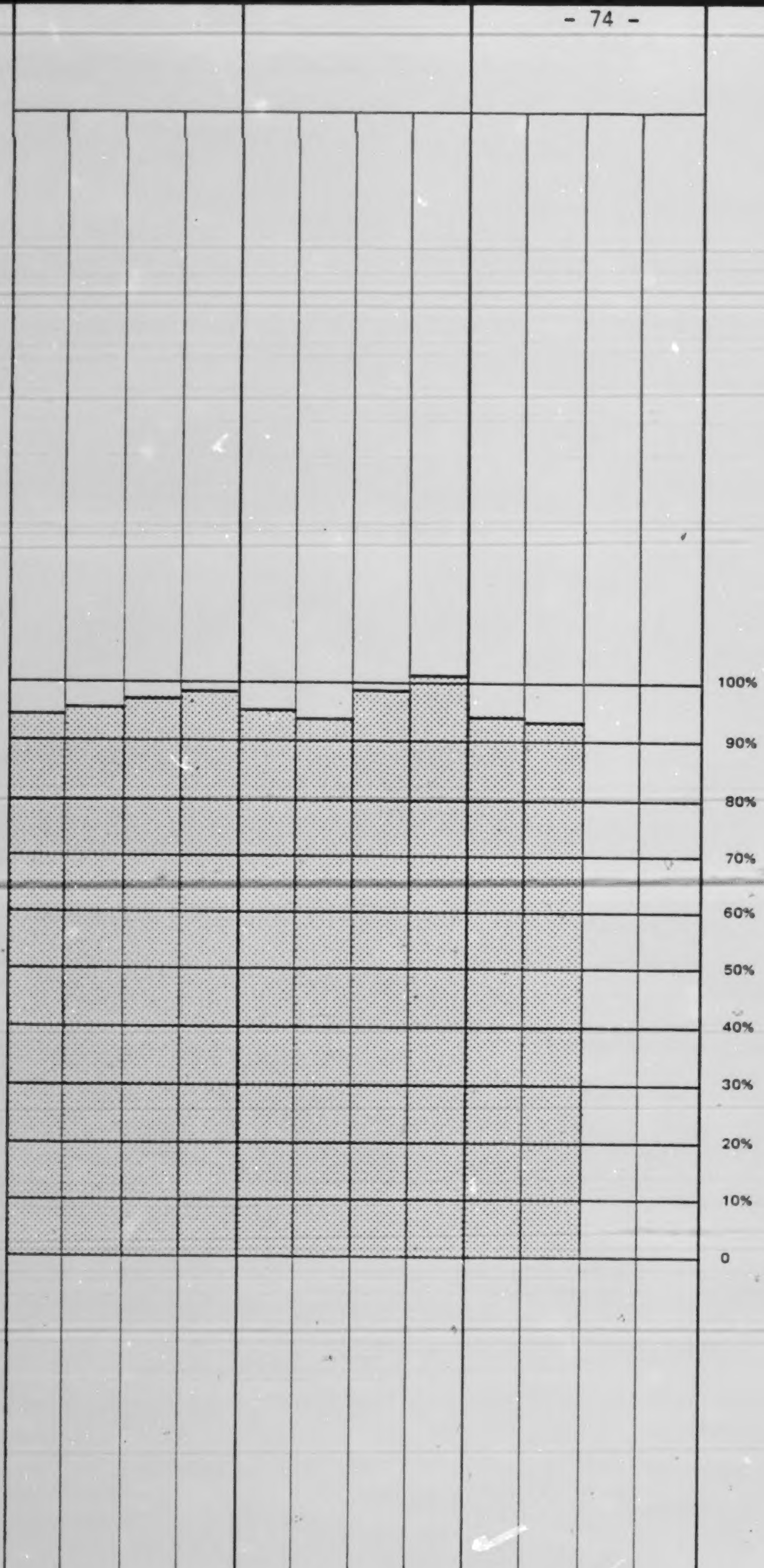

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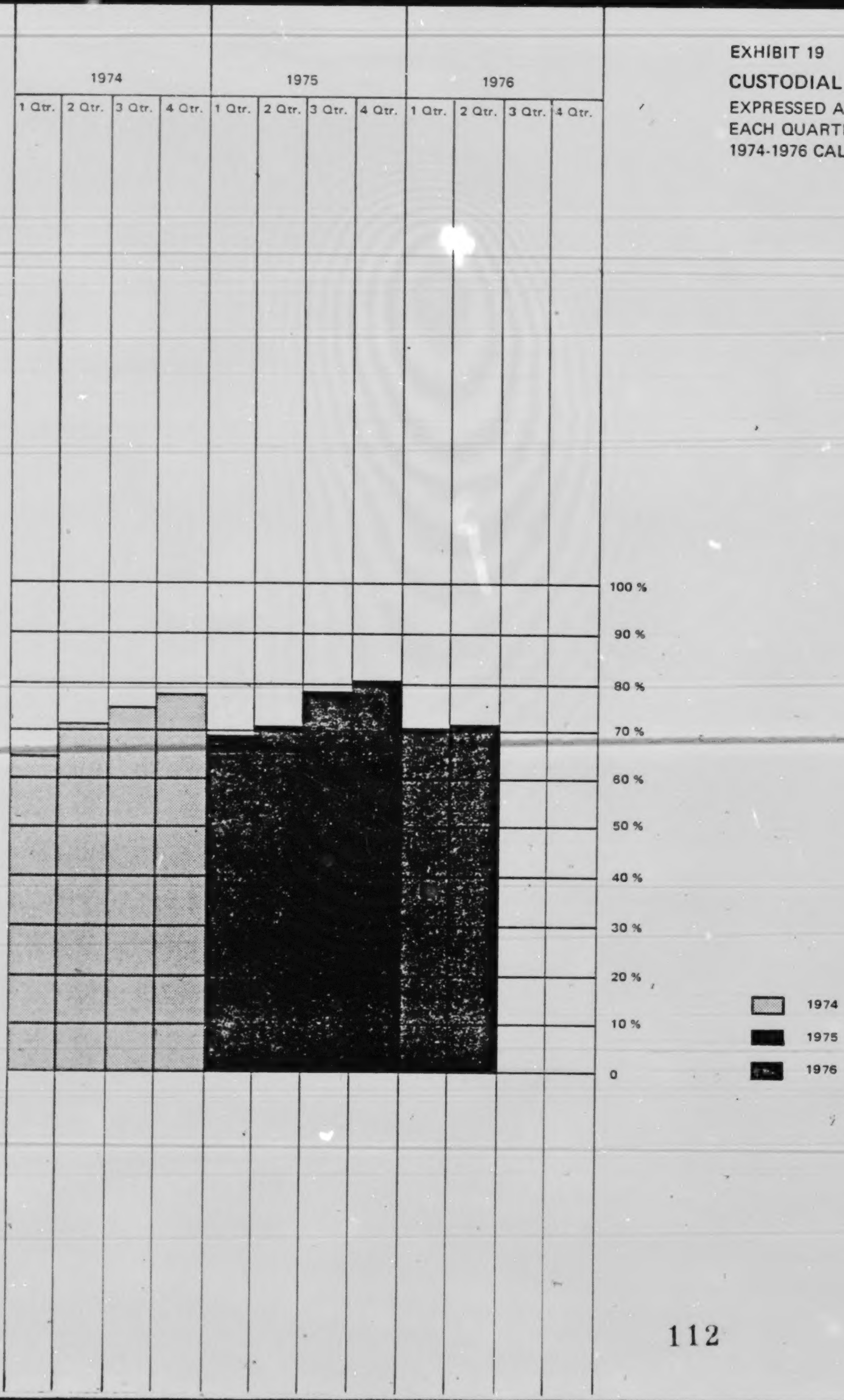
EXHIBIT 19

CUSTODIAL EXPENDITURE

EXPRESSED AS PERCENT OF
EACH QUARTER INCOME
1974-1976 CALENDAR PERIODS



The expenditure graphs, Exhibit 19 without the custodians' earnings, and Exhibit 20, the transparent overlay illustrating the expenditure percentages after custodians' earnings, both indicate a very definite spending pattern. Independent of either the fiscal quarter-to-quarter movement or of the size of the allocation in any given quarter, there is a steadily increasing expenditure percentage leading to peak expenditures towards the end of the custodians' fiscal year during October-November-December. This implies a cash management policy on the part of the custodians. It is very important to note that the end of the custodians' fiscal year is December 31; this places the end of their fiscal year in the same period in which peaks were observed in the hours worked by custodial helpers. With this further data, the question must be raised as to whether this apparent cash management policy was created to fund a heavy workload at the end of the calendar year, or whether these cash reserves have made available unnecessary extra employment for custodial helpers?

Section V. Suggested Policy Alternatives

V. SUGGESTED POLICY ALTERNATIVES

As was mentioned earlier in this report, the custodial services provided to Board of Education schools have been substantially reduced from the accustomed levels existing before July, 1976. The reduction was achieved by examining custodial service activities individually in cases where unit cost could be easily identified;* then performance requirements were downgraded in amounts calculated to produce the mandated budget cuts. The impact of the custodial service reductions on the safety, health, cleanliness, learning environment and equipment of the schools has not as yet been reviewed. The potential effect on Building, Health, or Fire Department violations, or the long-range effect on major maintenance is not precisely known. More generally, the Board of Education does not know if this new level of service is satisfactory. More specifically, the Board of Education does not know if the reductions in cleaning services were the appropriate ones to make: might other changes in policy have been more appropriate?

In this series of Working Notes it is the intention of the Project Management Team to examine costs as they affect present policy and procedures, and to examine policy and procedures alternatives. To this end, there are several questions that should be addressed:

- How much is the present indirect system costing the Board of Education? What exactly is the cost to operate and maintain an average square foot of space in a school building in New York City? Is this cost in any way "in the ball park" with similar situations elsewhere; and if there are differences, what are they?

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* For example, suppose it is known that mopping floors in a particular school costs $500 every time the service is performed; further suppose that present policy required floors to be mopped at the end of every school day. In order to save $1000 per week in this school it is necessary to change the policy for mopping to mopping on Mondays, Wednesdays, and Fridays only.

- *What level of custodial service is really needed?* After a recent tour of New York City school buildings, several educators from Great Britain commented that the Board of Education had the cleanest schools they had ever seen. How important is this fact? Does this level of cleanliness materially affect the quality of education being delivered? Can a lower level of cleanliness be accepted?

- *How can the accepted level of service best be delivered?* With over 1,000 school buildings to operate and maintain, and many systems available to provide custodial services, the Board of Education must evaluate the cost and effectiveness of all possible alternatives. Pilot projects should be initiated to seek creative approaches for the delivery of custodial services, and the results should be analytically and systematically examined.

- *What controls are necessary to assure the highest degree of performance?* Is the present administrative chain of command in the Bureau of Plant Operation successfully controlling the custodial service program? Who should have ultimate responsibility for the operation and maintenance of a school building: the custodian or the principal? Should the roles of the custodian, the District Supervisor of Custodians, the Community School District Superintendents, and the principals vis-a-vis custodial services be modified?

In the past the Board of Education has for the most part only responded to contractual demands by the custodians. The Board of Education might rather look aggressively at the issues raised in the four previous questions. In the remainder of this section, two types of policy alternatives will be discussed:

- Short term alternatives suggested for immediate implementation based on the information included in this *Working Note*

- Long term alternatives suggested for further investigation, with acceptance of these tentative alternatives based on data which will be collected during the remainder project as discussed in Section VI, *Next Steps in the Cost Analysis*.

POLICY ALTERNATIVES CAPABLE OF SHORT TERM IMPLEMENTATION

Based on the information collected and previously presented in this Working Note, there are a number of situations which the Project Management Team feels can be corrected within the general framework of the current performance contract with the custodians. It is felt that all the policy alternatives discussed can be implemented with minimal additional study of the subject.

The Board of Education is at this time negotiating a new contract with the custodians. With the changes in policy brought about by the July, 1976 budget cuts, the Board of Education should be taking the broadest view possible of custodial service:

- The Bureau of Plant Operation should identify for the Board members every major activity in the custodial service program, should identify the cost of each activity, and should identify the benefit/consequence of providing/not providing the service resulting from that activity
- An ordering of priorities for the activities (and hence the services) performed in the operation and maintenance of school buildings should be completed by the management of the Division of School Buildings and should be reviewed by members of the Board of Education and pedagogical users of custodial service.

It is most important that the users of custodial services be knowledgeable of the conditions under which they receive services, that the responsibilities of the various people involved in and benefiting from the proper operation and maintenance of school buildings be clearly understood, and that users of custodial services take a more active role in controlling the cost and effectiveness of the policies and procedures in effect:

- Copies of the Rules and Regulations for the Custodial Force in the Public Schools of the City of New York, including copies of all modifying memoranda, should be issued to principals, Community School District Superintendents, district business managers, and managers of the Bureau of Maintenance

- Principals should take vigorous action in claiming deductions for unused space in their school buildings; this would reduce total costs. Perhaps more forward planning in the utilization of space can achieve more intensive use of less space thereby reducing custodians' service time and further reducing service fees

- The district business manager should take vigorous action in examining schedules of extra activity in the schools in his district; with a view to the cost of extra activity fees, the district business manager may be able to consolidate the number of school buildings used after hours and therefore reduce the total cost of extra activity:

    - There would be fewer opening/closing fees

    - There would be reduced fuel costs for heating systems

    - There would be reduced total cost for custodians' extra activity fees since the Board of Education would be taking advantage of the sliding rate for extra activity fees

- The rating of custodians by staff of the Bureau of Plant Operation and by pedagogical personnel must be activated; the users of custodial services should be able to have substantial input into the promotion (in which a custodian receives assignment in a school with a greater Maximum Permissible Salary) and in the demotion (in which a custodian receives assignment in a school with a smaller Maximum Permissible Salary) of the custodians providing them services.

It has been suggested that custodians have been hiring family members as custodial helpers and showing undue favoritism to them. In recent months, following the layoffs of custodial helpers in July, 1976, many grievances have been filed by the laid off cleaners and handymen; the grievances claim that members of a custodian's family working in cleaner or handyman titles have not been laid off even though some family members have lower seniority. Furthermore, it is generally accepted policy in a business environment not to have a manager (in this case the custodian) supervising employees who are family members. To establish adequate control over this entire personnel area, the following policy changes are suggested:

- Establish a clerical title in the custodial helper series with a wage rate commensurate with the duties performed, for situations that may really need clerical support

- Do not allow the hiring of family members by custodians; establish controls over arrangements by which family members are hired by custodians of nearby schools.

- Require that a copy of every grievance filed against custodians be forwarded to the Office of Labor Relations and Collective Bargaining and that periodic review of these grievances be undertaken.

It has been mentioned that the custodial contract has given the custodians considerable autonomy and authority, and there have been situations in which this autonomy and authority have been abused. Several of these abuses can be corrected through relatively straightforward changes in the custodians' contract:

- The Board of Education should modify the contract so that it is clear that when a custodian transfers school assignments in one year, the custodian has
    - A Maximum (Day School) Permissible Salary of $26,000 for the fiscal year, independent of assignment transfers
    - A Combined Maximum Permissible Salary of $31,000 for the fiscal year, independent of assignment transfers
    - Combined earnings, i.e., earnings from normal day school activity and extra activity, calculated by pro-rating earnings from normal day school activity over the time in that assignment, and by applying the sliding rate scale for extra activity earnings only once for the lump sum of all extra activity aggregated over all assignments
- The Board of Education should identify limitations on the purchase, depreciation and use of capital equipment:
    - The type of equipment to be purchased should be reviewed by the Bureau of Plant Operation so that only equipment appropriate to the needs of a particular school building is purchased by the individual custodian

- The Bureau of Plant Operation should establish depreciation schedules for capital equipment based on average life expectancies for this capital equipment as experienced by other agencies and private industry as well as by the Board of Education

- Capital equipment should be limited to Board of Education Use Only.

As long as the concept of a performance contract is accepted and maintained as Board of Education policy, the performance contract with the custodians should be made as "competitive" as possible. The allocation formula appears to provide funds to the custodians on estimates of worst case conditions in the schools, even to providing reimbursement for certain portions of custodial helpers' vacation time. The monies provided by the allocation should more closely approach the true costs in the particular school building:

- Reimbursable funds, overtime pay, and shift differential pay should be used only for unforseen events such as emergencies or special conditions, e.g., winter conditions might necessitate bringing in a fireman to work earlier to turn on the heating system in time to have the school warm for morning classes; reimbursement for certain portions of vacation time should be eliminated however*

- Factors should be included in the allocation formula to:
  - Reduce the funds given to custodians in low vandalism areas
  - Reduce the funds given to custodians in newer, lower maintenance schools
  - Reduce the funds given to custodians in schools where the type of windowpane limits the custodians' repair responsibilities.

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*Vacation time is not an unforseen event; the custodian should have definitive manpower scheduling policies to handle this contingency in a least cost manner.

In addition, the inefficiencies brought about in the uncontrolled use of overtime pay by custodians to their employees discussed in detail in Section IV are magnified by the contracts between Local 891, representing the custodians, and Locals 74 and 94, representing the custodial helpers. These agreements state that:

- Effective January 1, 1971, all work performed in excess of eight (8) hours per day, five (5) days per week, or forty (40) hours per week shall be paid for at the rate of time and one half.

The effect of this statement is that;

- A part-time employee working ten hours in one day would be paid overtime for two of these hours even though he had not worked forty hours that week
- An employee working more than five days in one week no matter how many hours per day or how many total hours for that week would receive overtime for the sixth and seventh days of work
- The estimated cost* for overtime paid to part-time employees was in excess of $755,000 in 1975, while the total cost* for all custodial helper overtime exceeded $8,000,000.

There are presently no Board of Education policies or procedures which regulate the custodians' use of the overtime wage rate. The Board of Education should:

- Establish limits (reflecting the need for some flexibility) on the use of the overtime wage rate by the custodian
- Establish that overtime rates be payable only after an employee works 40 hours.

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* Extracted from an unpublished audit of custodial operations, report No. C 77-203, submitted to the Board of Education by the Office of the Comptroller, City of New York.

The Board of Education must improve its control over the financial operations of the custodial service program. The Custodial Payroll Unit in the Division of Business and Administration should be:

- Aware of its primary responsibility to the management of the Board of Education, and should respond to requests from the custodians' union as a secondary priority
- Responsible for preparing concise financial statements* to be forwarded to the management of the Division of School Buildings and the Office of the Deputy Chancellor, on a monthly, quarterly, and annual basis
- Given guidelines in the performance of operational audits** and sampling of financial records kept by custodians (staff needs for this increased responsibility can be satisfied by using engineers available from the Division of School Buildings; the engineers would provide excellent technical assistance.)

In addition, the Board of Education should enforce or modify the contract so that:

- Custodians be required to retain all funds given them by the Board of Education in trust fund accounts in the name of the Board of Education, with any interest earned to be received by the Board of Education
- The Board of Education withholds all deductions for custodial helpers' paychecks from the custodians' allocation on a two-week after-the-fact basis (rather than attempting to collect reimbursement from the custodian.)

Lastly, the Board of Education should mandate that all custodians' financial and personnel procedures and records comply with the same standards set by the Board of Education for any of its centralized or decentralized units; and also should mandate that the records be subject to annual audit by the Board of Education.

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* See Appendix: I.

** This suggestion is being worked on at this time by a team from the Office of the Auditor General and by on-loan executive volunteer members of the Institute of Internal Auditing.

POLICY ALTERNATIVES REQUIRING LONG TERM IMPLEMENTATION

The tentative policy alternatives discussed in the following paragraphs require the support of the results of the data and analysis to be prepared during the remainder of this project; however the Project Management Team is anticipating that the facts gathered will support the policy alternatives suggested here.

As a first step in clearly defining the role and responsibility of the building management function, the Bureau of Plant Operation in conjunction with the Board of Education should review and revise the Rules and Regulations for the Custodial Force in the Public Schools of the City of New York. This rulebook must be brought up to date, it should reflect the services required by pedagogical personnel, it should be responsive to cost pressures, and it should be distributed to all appropriate personnel agency-wide (and not just within the Bureau of Plant Operation.)

The long term objective of this project stated in Section I, Introduction, was to identify means to decrease costs for the operation and maintenance of school buildings without degrading but perhaps upgrading the present quantity and quality of service. Therefore the Project Management Team is looking for alternatives that will be cost effective when considering all the costs involved in providing operation and maintenance services. There are two approaches to seeking alternatives, one may either make substantial modifications to the present indirect system or one may examine other systems to provide services.

Within the present indirect system the most important and wide ranging action would be to develop a new allocation formula. The new formula would provide funds for normal day school activity and extra activity based on an average of the current comparative costs for other New York City agencies, other school systems, and industry. The new formula would assume the use of techniques and equipment that are state of the art in the building management field today and would have the advantage of making multiple use of school buildings more competitive with rentable space.

For example, the Board of Education presently provides funds to schedule a fireman in each school, no matter what type of heating system is in use, for four hours on Saturday and three hours on Sunday. This procedure cost the Board of Education over four million dollars this year. Reasonable alternatives to eliminate this cost might include:

- Updating some heating systems so that they can operate with less intervention
- Monitoring heating systems with a central computer system on a 24-hour basis*
- Having fireman report to schools on Saturday or Sunday only when the outside temperature falls below twenty degrees, or some other critical temperature.

Each of these alternatives has merit; however, the cost data to properly evaluate the alternatives must still be obtained.

Other systems, e.g., direct systems and contract systems, should also be tried on pilot program bases in different areas of the Board of Education. It is important to recognize that a savings of $1,000 in one school, when multiplied by the approximately 1,000 schools in the Board of Education, represents savings of $1,000,000 agency-wide. It may very well be that the Board of Education will evolve a hybrid system employing the best features of many alternatives. Several of the ideas that have been suggested and that will be looked into include:

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* The Sachem School District employs one central computer system to monitor heating systems, temperature, water pressure, lighting and to operate burglar alarm systems for seventeen buildings in a twenty-five square mile area; in the last three years, even with inflation and fuel price hikes, the system has kept utility costs from rising by more efficiently controlling usage of resources.

- Instituting a custodial system in which one custodian and one fireman provide for the operation of the building, with cleaning services contracted out to a vendor to be done after school hours
- Instituting a contract custodial system* in which all custodial services are provided by a vendor, but where liaison with the Board of Education is done at thirty-two Community School District offices (rather than have liaison at a school by school basis,) and five Borough offices (to handle liaison of custodial services for high schools on a borough basis).

The last suggestion has much to recommend it, but perhaps the concept could be better developed within the Board of Education. What is being suggested is that the Board of Education establish building management offices which would provide all the administrative services that are now required by custodians, would optimize personnel scheduling on an aggregate basis, and would be responsible for financial and quality control of local custodial services in much the same way that community school district business offices control the financial affairs of the schools in their districts. The contractor mentioned in the previous suggestion employs a organizational structure quite the same as this and operates profitably under this approach. This suggestion is explored more fully in the next few pages.

PROPOSAL FOR BUILDING MANAGEMENT OFFICES

The mission of the building management offices would be to monitor and control the school building operation and maintenance services determined to be necessary by Board of Education policy. Depending on whether the Board of Education chooses to employ an indirect, direct, or contract system (or a combination of these) to provide custodial services, the actual tasks the building management offices are responsible for might vary; however, the objective of the offices is to exercise the kind of management control that will produce cost effective and efficient delivery of services.

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* A proposal was made by Custodial Guidance Systems Inc. to the Board of Education whereby the vendor would provide the custodial services for all schools in a district out of a district management office.

The district building management offices suggested above would be established in the thirty-two community school districts to handle the elementary and junior high school buildings; five borough offices would also be established to handle the operation and maintenance coordination of high school buildings. Typical tasks would include:

- Setting up custodial service programs to meet the needs of the schools in the area within the guidelines of the minimum standards set by Board of Education policy
- Establishing custodial service budgets for an individual school based on the school's particular physical attributes
- Purchasing all equipment and supplies; allocating the capital equipment to individual schools as needed
- Coordinating the services provided by the Bureau of Maintenance; more specifically, efficiently scheduling the delivery of services provided by the mechanics at the Central Shops and the Area Repair Shops.

If either the indirect or direct system is used, the building management offices would have responsibility for personnel affairs; they would handle:

- Hiring of all custodial helpers
- Performing administrative functions such as payroll calculation, maintenance of personnel records, scheduling of overtime and shift-differential, planning for vacation time, etc.
- Establishing a small emergency task force from the custodial helpers in the schools which when needed would take care of certain repairs, correct vandalism damages, and effect snow removal, using specialized equipment and having the advantage of additional training.

The building management offices would function organizationally from within the Bureau of Plant Operation but would operate out of office space located at some convenient location within the area of the schools they are responsible for. Each office might have a staff composed of:

- A Building Management Supervisor - to coordinate the various custodial service and maintenance activities and functions in the area with those of other agencies, organizations and bureaus; to establish local policy; to develop and control budgets for each school; to be responsible for all custodial service personnel in the schools
- A Supervisor of Custodians - this position currently exists in the Bureau of Plant Operation, the Supervisor of Custodians is responsible for evaluating the performance of each custodian in operating and maintaining his building, and acts as the immediate liaison between the users of custodial services, and the building management office representing the Bureau of Plant Operation
- Two Payroll Clerks - to be responsible for the payrolls of custodians and custodial helpers; to verify time records, sick leave and overtime payments; to maintain personnel records; to verify the qualifications and perform the hiring of custodians and custodial helpers.

Also, should the indirect or the direct system be in effect after the creation of the building management offices, the role of the custodian will have to be modified. The custodian will act as the on-site building manager but he will have fewer administrative tasks to perform, he will have less autonomy and authority, and he will earn a smaller salary; he will:

- Perform the duties of a custodian as outlined in his job description* (but without the administrative responsibility for payroll, for hiring custodial helpers, etc.)

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* See Appendix: 6.

- Transmit the needs of his school building for manpower, equipment, supplies, etc., to the business management office.

- Monitor the performance and schedule the daily tasks of each custodial helper under his supervision.

The design concept of the building management offices responds to the need for more management control of the custodial service program; a properly functioning building management office will have substantial impact on cost reductions:

- Taking advantage of the economies of scale gained through coordinating custodial services at an aggregate level rather than at the school level enables:

  - The scheduling of employees and equipment in ways to maximize use, minimize overtime, and obtain greater overall flexibility

  - The purchasing of supplies and materials in larger quantities at discounted costs, and the possibility of maintaining an inventory of spare parts and supplies in a central local location

  - The use of more specialized equipment and mechanics with backup resources, e.g., a building management office might use a minicomputer to monitor the school heating system on a 24-hour basis, allowing the Board of Education to save the cost of providing a fireman on weekends to check the heating system; this computer would enable a remote location (the building management office) to turn on and off the heating system and monitor unauthorized entry of a school building, as well as be used to prepare the payroll and maintain a general ledger for the financial responsibilities of the custodial service program

- Having better communication between the Board of Education and the users of custodial services provides:

  - More direct response to any needs expressed by the principal

  - More control over the functions of maintenance, e.g., for painting, fuel and utility consumption, exterminating, violations removal
  - More flexibility in consolidating extra activity, such as the Continuing Education program, to reduce custodial costs

- Having more local control of the financial operation of the custodial service program through:
  - The combining of payrolls for custodial helpers from a payroll in every school to a payroll in each building management office
  - The monitoring of allocated funds at an area level rather than at the custodian level
  - The introduction of financial accountability and planning aspects as responsibilities of the building management supervisor.

The development of the building management offices in conjunction with improving the operation of the Custodial Payroll Unit in the Division of Business and Administration are important steps in obtaining the type of timely information that the management of the Board of Education does not now have and desperately needs. One very important aspect of this initial proposal is that it is applicable independent of whether the Board of Education should provide custodial services by the indirect, direct, or contract system. Either method of operation still requires a means for the management of the Bureau of Plant Operation and the users of custodial services to evaluate and monitor the performance of the resources used in operating (and maintaining) school buildings.

The proposal for the development of building management offices obviously requires considerable further study; however, the concept is feasible and would not require the elimination of any presently defined custodian positions.

The Board of Education currently has 1,020 personnel lines in its budget for custodians; there are however over 1,056 school buildings so there are at least 36 schools with no full time custodian assigned. If custodial assignments were appropriately arranged, a pilot program could be attempted in one community school district in which a building management office would be set up and school custodians would be hired with responsibility for the tasks discussed in this section. Such a pilot program could also provide first-hand information on experiments with indirect, direct, and contract system alternatives.

Section VI. Next Steps In The Cost Analysis

VI. NEXT STEPS IN THE COST ANALYSIS

Section III, Preliminary Findings: Custodians, contained an in-depth discussion directed at the many individual reports, audits, and articles written on custodians and custodial practices during the last few years; the significant finding was that a large number of custodians may have abused the autonomy provided them under a highly flexible performance contract with the Board of Education and in consequence may have increased the costs for the operation and the maintenance of school buildings. The material presented in Section IV, Preliminary Findings: Custodial Helpers, examined the single largest cost in the operation of school buildings; the significant finding was that heavy utilization of overtime and shift-differential compensation for custodial helpers resulted in the loss of almost 240 full-time employment opportunities for these employees. Finally, Section V, Suggested Policy Alternatives, contained alternatives that might be implemented to reduce the cost of providing custodial services: short term alternatives were suggested for immediate implementation based on information included in this Working Note, and long term alternatives were suggested for further investigation requiring additional data to be collected. The next steps in the cost analysis will be directed to fully research all cost areas mentioned above, to provide complete analysis of the data collected and to move onto new cost areas:

- To collect, assemble, and analyze data on the other cost factors for direct custodial services, e.g., costs for capital equipment, expendable items, and service contracts

- To collect, assemble, and analyze data on cost factors for the maintenance of school buildings (costs for those services provided by the Bureau of Maintenance); these factors will include personal service and OTPS* items

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* OTPS (Other Than Personal Service) items include supplies, equipment, etc.

- To understand the cost of the custodian, i.e., to put in perspective the duties and responsibilities of the custodian as agreed to in the custodian's contract vis-a-vis the compensation provided the custodian and the financial impact the custodian has on the direct and indirect cost of operation and maintenance

- To understand the nature, impact and inter-relation of the adjustments in the custodial service allocation formula, and to understand how alternative procedures and policies might effect the cost of operations and maintenance (e.g., would more capital equipment significantly reduce labor costs for the same service or would costs remain the same and employment opportunities be lost even though more services might be provided).

The work to be done mentioned above has been allocated to three individual sub-projects which will run in succession and will require approximately two man-years of effort:

- Project 1 - will gather further cost data on direct custodial services and indirect services (Bureau of Maintenance) and will include a reorganization of the Custodial Payroll Unit* in the Division of Business and Administration

- Project 2 - which will examine each item in the custodial contract and review the factors determining the fund allocations used in the present custodial system

- Project 3 - will examine strengths, weaknesses and alternatives to the present custodial system and will include an operational audit** of a sample school district.

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*This step will facilitate collection of data and will also strengthen and expand the monthly reporting capability to Board of Education managements in the operation and maintenance areas, as well as to top Board of Education management.

**An operational audit team is being assembled from the Board of Education's Office of the Auditor General and from several members of the Institute of Internal Auditing. The objective are to strengthen the operational auditing skills of Board of Education auditors, to provide additional support for the Project Management Team, and to examine in detail and first hand the methods, procedures and personal policies of a custodian.

Each project will be concluded with a management oriented Working Note such as this one. The final results, complete with comparative costs of alternative procedures and costs (from other institutions using custodial services,) should provide sufficient information to support an advocacy document on substantial improvements recommended for the conduct of operation and maintenance in Board of Education school buildings.

APPENDIX: I

FINANCIAL STATEMENTS FOR THE
OPERATION AND MAINTENANCE
OF SCHOOL BUILDINGS

INCOME SUMMARY with attached schedules
EXPENSE SUMMARY with attached schedules

APPENDIX: I

FINANCIAL STATEMENTS FOR THE OPERATION AND MAINTENANCE OF SCHOOL BUILDINGS

INCOME SUMMARY with attached schedules
EXPENSE SUMMARY with attached schedules

The financial statements presented here were developed by the Project Management Team several weeks after the project began. Both the general format and the detail entries are representative of the expected final results; the usefulness of these preliminary statements comes in keeping the data gathering and analysis tasks in line with the final objectives of the cost analysis.

There are two categories of financial statements: income and expense. Each category was designed to have a summary, supported by schedules of detailed information. The forms will carry three years of data when completed, from which trends may be examined and the cost of operation and maintenance of an average square foot of building space may be derived. The following forms are included (the data to complete them is presently being researched):

- INCOME SUMMARY which indicates all budget sources for the operation and maintenance of school buildings, including funding for fringe benefits and funding of appropriate administrative support areas in the Division of Business and Administration

- SCHEDULE A - ACTIVITY INCOME which indicates the funds allocated to the custodian for normal day school activity by the allocation formula (the schedule amount shows the various adjustments made to the basic maintainable square foot allowance), for reimbursed items, and the funds committed to extra activity and fringe benefits

- EXPENSE SUMMARY which indicates individual cost areas for operation and maintenance that contribute to the overall operating cost per square foot maintainable* in an average school building

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*Or cost for operation and maintenance of an average square foot.

- SCHEDULE A - CUSTODIAN COST which indicates the total cost to the Board of Education for the custodian as an employee; this cost includes the "draw", or custodian's salary,* plus all fringe benefits. (Note that there are two Schedule A exhibits presented; the first is in the format of the Board of Education's fiscal year and the second is in the format of the custodians' fiscal year. The second Schedule A has been presented with the data available at this time; the pension figures given are estimates.)

- SCHEDULE C - CUSTODIAL EXPENSE which indicates the costs to the custodian for items other than custodial helpers; the basic distinction in this schedule is the 2% limitation condition. The items excluded from 2% limitation can total in dollars to any amount needed under the discretion of the custodian; items under the 2% limitation can total in dollars to any amount less than or equal to 2% of the total funds given to the custodian for his building by the allocation formula.

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*Note that Schedule A lists both excess and deficit amounts; the formula described in Section IV is applied here to determine what the custodian is allowed to keep. The custodian's "draw" is thus aggregated for all custodians under the title Custodians Retained Earnings.

INCOME SUMMARY:
OPERATION AND MAINTENANCE OF SCHOOL BUILDINGS

	1973-1974	1974-1975	1975-1976
ACTIVITY INCOME:[1]			
Day Activity			
Extra Activity			
Fringe (custodian and helpers)			
Sub-total			
CENTRAL INCOME:			
Division of School Buildings:			
Bureau of Operations[2]			
Bureau of Maintenance[3]			
Fringe			
Sub-total			
Division of Business and Administration:			
MIDP Production Control[4]			
Custodial Payroll[5]			
W–2 Section[6]			
Fringe			
Sub-total			
Miscellaneous[7]			
TOTAL INCOME			

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[1] see Schedule A

[2] see Schedule B

[3] see Schedule C

[4] see Schedule D

[5] see Schedule E

[6] see Schedule F

[7] see Schedule G

SCHEDULE A
ACTIVITY INCOME:
OPERATION AND MAINTENANCE OF SCHOOL BUILDINGS

	1973-1974	1974-1975	1975-1976
DAY ACTIVITY:			
Schedule:			
Gross Sq. Ft.			
Maintainable Sq. Ft.			
Paved Area			
Maintainable Sq. Ft. Allowance			
Paved Area Allowance			
Deduction for Outside Steam			
Oil Burner Deduction			
High Pressure Boiler Allowance			
Elevator Allowance			
Escalator Allowance			
Univent Allowance			
Swimming Pool Allowance			
Jr. High School Allowance			
High School Allowance			
High School Annex Allowance			
Elementary School Lunch Room Allowance			
Jr. High School Lunch Room Allowance			
High School Lunch Room Allowance			
Premium Time (Supp. Allowance)			
Additional Employees			
Sub-total			
Reimbursement:			
Emergency Premium and Shift Differential			
Reimbursement for Replacement Employees[1]			
Sub-total			
TOTAL			
EXTRA ACTIVITY			
FRINGE BENEFITS			
TOTAL ACTIVITY INCOME			

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[1] During sick leave, additional and accrued vacation, and Jury Duty.

EXPENSE SUMMARY:
OPERATION AND MAINTENANCE OF SCHOOL BUILDINGS

		1973-1974	1974-1975	1975-1976
CUSTODIAL COSTS:				
Custodian:[1]	Retained Earnings			
	Fringe			
	Sub-total			
Custodial Helper:[2]	Stationary Engineer			
	Fireman			
	Handyman			
	Coalpasser			
	Watchman			
	Cleaner			
	Laundry Bath Attnd't			
	Fringe			
	Sub-total			
Custodial Expense:[3]	Excluded from 2% Limitation			
	Other Miscellaneous			
	Sub-total			
CENTRAL COSTS:				
Operations:	Operation of School Plant			
	Fuel Management and Transport			
	Fuel			
	Utilities			
	Supplies			
	Sub-total			
Maintenance:[4]	Repair Shops			
	Minor Repairs			
	Contract Maintenance			
	District Contract Maintenance			
	Plant Maintenance			
	Sub-total			
Administrative Support:[5]	MIDP Production Control			
	Custodial Payroll			
	W-2 Section			
	Miscellaneous			
	Sub-total			
TOTAL OPERATING COSTS				
TOTAL SQUARE FEET MAINTAINABLE				
Operating Cost per Sq. Ft. Maintainable				

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[1] see Schedule A

[2] see Schedule B1, B2, B3

[3] see Schedule C

[4] see Schedule D

[5] see Schedule E

SCHEDULE A

CUSTODIAN COST:
OPERATION AND MAINTENANCE OF SCHOOL BUILDINGS

	1973-1974	1974-1975	1975-1976
INCOME:			
Day Activity			
Extra Activity			
Sub-total			
EXPENSE:			
Custodial Helper (less fringe)			
Custodial Expense			
Sub-total			
Net Retained			
Combined Permissable			
Excess			
(Deficit)			
CUSTODIAN RETAINED EARNINGS:			
FRINGE:*			
Health			
Welfare			
Pension			
FICA			
Sub-total			
TOTAL CUSTODIAN COST:			

* Calcubation based on average numbers of custodians:

1973-1974 – 915
1974-1975 – 895
1975-1976 – 945

SCHEDULE A

CUSTODIAN COST:
OPERATION AND MAINTENANCE OF SCHOOL BUILDINGS

	Calendar Years	January 1 – December 31	
	1973	1974	1975
INCOME:			
Day Activity	74,372,980	85,168,148	94,762,600
Extra Activity	12,286,715	12,431,540	11,299,128
Sub-total	86,659,695	97,599,688	106,061,728
EXPENSE:			
Custodial Helper (less fringe)			
Custodial Expense		(expenses not allocated)	
Sub-total	61,851,086	71,273,360	78,852,417
Net Retained	24,830,958	26,338,628	27,215,952
Combined Permissable	22,370,575	24,005,275	25,222,270
Excess	2,779,745	2,761,141	2,411,006
(Deficit)	340,710	440,088	425,604
CUSTODIAN RETAINED EARNINGS:	22,051,213	23,577,487	24,804,946
FRINGE:*			
Health	416,074	402,992	479,911
Welfare	228,750	223,750	330,750
Pension	2,992,945	3,122,212	3,458,069
FICA	706,563	738,241	845,822
Sub-total	4,344,332	4,487,195	5,114,552
TOTAL CUSTODIAN COST:	26,395,545	28,064,682	29,919,498

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* Calcubation based on average numbers of custodians:
1973 – 915,
1974 – 895
1975 – 945

SCHEDULE C

CUSTODIAL EXPENSE:
OPERATION AND MAINTENANCE OF SCHOOL BUILDINGS

	1973-1974	1974-1975	1975-1976
EXCLUDED FROM 2% LIMITATION:			
Compensation insurance			
Liability Insurance			
Contract Service			
. Window Cleaning			
. Snow Removal			
. Landscaping			
. Dust Mops			
. Uniforms			
. Other			
Sub-total			
OTHER MISCELLANEOUS:			
Depreciation			
Hardware			
Equipment (under $350)			
Cleaning Supplies			
Telephones			
Repairs to Equipment			
Miscellaneous			
Sub-total			
TOTAL CUSTODIAL EXPENSE			

APPENDIX: 2

REPORT ON CONTRACT CUSTODIAL SERVICES 1964 - 1976

APPENDIX: 2

REPORT ON CONTRACT
CUSTODIAL SERVICES
1964 - 1976

This report was issued by the Division of School Buildings in November, 1976, and discusses the findings and recommendations on the contracting of custodial services to external vendors. The report recommends that:

- The private contract method of operation be continued as a comparison to other methods of custodial operation
- The program be expanded to about twenty schools located in various areas of the City; expansion beyond this number should be done gradually
- A modified version of contract operation be applied to a couple of the buildings mentioned above wherein Board of Education employees operate the mechanical plant and cleaning is done after hours by contract.

BOARD OF EDUCATION OF THE CITY OF NEW YORK
DIVISION OF SCHOOL BUILDINGS
OFFICE OF PLANT OPERATION AND MAINTENANCE
BUREAU OF PLANT OPERATION

REPORT

ON

CONTRACT CUSTODIAL SERVICE

1964 TO 1976

HUGH McLAREN JR.
Executive Director
November 1976

RAYMOND G. HUDSON
Director
Bureau of Plant Operation

CUSTODIAL SERVICE BY PRIVATE CONTRACTOR

From about 1900 to 1953 there were two types of custodial operation in the New York City schools; the direct and indirect systems. The indirect system furnishes a Civil Service Custodian with funds to staff the building and in the direct system the Board of Education would staff the building with Civil Service employees. In the mid-1940's the Board made a decision to phase out all direct system schools because of high costs and poor service. The last direct system school was converted to the indirect system in 1953. For the next ten years there was only the one method of custodial operation in use. During this period there were a number of surveys made by various consultants and investigators, all of whom recommended that the direct system be reinstated in a number of schools as a comparison to the indirect system. In late 1963 the Bureau of Plant Operation requested and received permission to place a small number of schools under contract for custodial operation to commercial cleaning and maintenance contractors to provide this comparison.

Before preparing specifications for custodial service, personnel of the Bureau of Plant Operation consulted several of the larger cleaning contractors, other City agencies that contracted for cleaning, the General Services Administration and other school districts to discuss the feasibility of contracting for full custodial services and the problems that might be encountered. None of those contacted had had any experience with contracting the full operation. Contractors were doubtful about bidding such work on a fixed fee basis since the unknowns such as snowfalls, extreme temperature drops, etc., might cut into the net profit. The specification that was developed provided the same service that Custodians under the indirect system provided. This would give a more accurate cost comparison than a specification that provided more or less service.

Six schools and one administration building were selected for the first specification. The schools were new buildings and the administration building was being returned to Board operation by the Department of Real Estate. Possible personnel problems or complaints by the union were obviated by the use of these buildings. Three of the schools were located in an area where custodial operation was difficult due to vandalism and a high density population. The other three were located in an area that could be considered suburban. The schools in each set were in close proximity to each other. The contract was for a two year period from October 1, 1964 to September 30, 1966.

Some of the better known companies such as National and Allied submitted bids on the first specification. Bids, however, varied by as much as 300%. The Board of Education estimate and the range of bids is listed for information.

SCHOOL	ESTIMATE	BID RANGE
PS 57 Manhattan	$35,913	$ 35,171 - $ 86,201
PS 83 Manhattan	34,032	30,237 - 81,796
PS 96 Manhattan	33,480	30,237 - 81,796
PS 181 Queens	24,012	24,500 - 78,498
PS 195 Queens	21,972	24,500 - 78,496
PS 225 Queens	29,822	30,237 - 78,496
49 Flatbush Ave Ext	99,786	115,980 - 136,070

In succeeding bids a disturbing pattern became apparent. There were only one or two bidders on each building and the original contractor was always low bidder. Our attempts to increase competition by inviting other responsible contractors to bid were negative. In 1971 a third contractor finally was low bidder on two schools. This resulted in protests and disputes by the contractor who had held the previous contracts. The bidding on the most recent contract (1976/77) was very limited although a couple of buildings did change from one contractor to another. To indicate how the same contractor retained certain schools Allstate or Custodial Guidance as it is now known, has had the contract for PS 57 Manhattan, PS 83 Manhattan and PS 96 Manhattan from October 1964 to the present date. Custodial Guidance also had PS 181 Queens, PS 195 Queens and PS 225 Queens from October 1964 until the service was discontinued at the request of the Community School Boards in 1973. Custodial Guidance also had JHS 45 Manhattan from May 1, 1965 until service was discontinued on June 30, 1975. Prudential Star had 49 Flatbush Avenue Extension from October 1, 1964 until July 31, 1976 when Custodial Guidance underbid them. Prudential also had PS 157 Manhattan from May 1, 1965 until the building was closed in January 1976.

The number of buildings was expanded from the original seven to fourteen. At present only six are under contract. PS 23 Brooklyn, PS 316 Brooklyn and PS 126 Manhattan were returned to Board of Education custodial service after one contract period because of extremely poor service. PS 181 Queens, PS 195 Queens, and PS 225 Queens were returned to Board service at the request of the Community School Boards. PS 157 Manhattan was shut down. JHS 45 Manhattan was returned to Board service because all activity was removed from the building after bids had been received on the basis of 363 days per year operation. There was insufficient time to revise the specifications and readvertise for bids.

It is difficult to make a true cost comparison between contract service and the indirect system since it is impossible to determine how much a Custodian might return as an excess. It must be remembered that in schools like IS 70 Manhattan or IS 61 Queens, Custodians could return a sizeable amount as an excess. However, based on no returns the percentage above or below Board of Education indirect system costs are indicated herewith for several contracts.

SCHOOL	SPEC #833 1964/65	SPEC #19 1968/69	SPEC #429 1973/74	SPEC #372 1975/76
PS 57 Manhattan	- 7%	+ 4.9%	- 20%	+ 2.8%
PS 83 Manhattan	- 15%	+ 5%	- 19%	+ 2.9%
PS 96 Manhattan	- 10.2%	+ 5.2%	- 17%	+ 2.9%
PS 181 Queens	- 5%	+ 8.4%		
PS 195 Queens	+ 2.1%	+ 20.4%		
PS 225 Queens	- 4.7%	+ 21%		
Brooklyn Area Office	- 0.5%	+ 15.3%	+ 10.3%	+ 10%
	SPEC # 91 1965/66			
IS 70 Manhattan	- 12.5%	+ 3.6%	- 24.5%	- 25%
IS 61 Queens	- 12.5%	+ 3.5%	- 25%	- 25%

Service by contractors is considered by the Bureau of Plant Operation to be equivalent to that of a School Custodian in the lower half of the average bracket. Cleaning is about average. Safety is below average. The contractor's crew is susceptible to pressure from Principals to padlock exits and avoid other safety precautions. Care of mechanical equipment is far below average. Although it is difficult to pinpoint the lack of care or make comparisons with other buildings, the equipment in schools under contract does not receive the care that it does in buildings operated by Board Custodians. This is due in part to lack of knowledge, lack of interest and lack of time on the part of the contractor's crew. The service rendered by a contractor is not a reflection of the company as a whole but rather of the man the contractor has placed in charge of the building. The contractors have no set methods or guides to use in the performance of their work. It depends on the men in charge of the building. As an illustration a deduction was made recently on the bill for one school for improper cleaning. Although the specification had been changed drastically the contractor had not obtained a copy for the school crew. The contractor stated that he had instructed the foreman to spot clean walls, although the specification required complete washing. The foreman stated that he had visited several schools in the area to see what our Custodians were doing. The foreman was not aware of the requirements of the specification. Although some of the work was completed after the Supervisor recommended the deduction, it was evident that some walls had not been touched.

One of the problems throughout the twelve years service has been contracted has been the difficulty of having a contract processed and registered before the initial date of the contract. Specification #372 - 1975/76 for the period July 1, 1976 to June 30, 1977 is typical. The specification and cost estimates were submitted to the Bureau of the Budget in early February 1976. Approval to advertise for bids was not received until the end of May 1976.

The time limit on advertising bids precluded opening bids until mid-June 1976. The bids were placed on the Board calendar for July, laid over to August because of a union protest and again laid over to September 1976. The Budget Certificate necessary to register the contracts was not received until September 1976. Contracts were not completed and registered until October. Since the two low bidders were not new contractors to the Board of Education, they took a chance and furnished service without a contract for three and a half months. If a large number of buildings had been involved contractors would not have had the finances to take such a chance.

The comments of Principals and Community Superintendents both praise and condemn contract service. Districts having contract schools were requested to submit comments on the services rendered. The letters are attached for information. A misconception by the District is that the extended use of the building does not cost anything. In some buildings where continuing education programs were heavy the use of the building was written into the basic specification. The cost of this extended use was included in the bid price. Extended use in such cases, although not free, does cost less than it does under the indirect system. IS 70 Manhattan and IS 61 Queens hwere this is written in are less than Board of Education costs for similar service. However, 49 Flatbush Avenue Extension which was used by Community College at night consistently cost more than Board of Education service.

Before making any conclusions or recommendations the position of the Custodians Union, Local 891, should be considered. Local 891 agreed to placing several schools under contract custodial service in 1963 without objection. However, a few years later the Union in negotiating a new agreement objected strenuously to the continuation of contract schools. At that time a letter was given to the Union stating that the Board did not intend to expand the number of schools under contract at that time. This letter was not renewed in the negotiations for the next agreement. In the present demands the Union has demanded that the contract schools be discontinued. With the closing of a number of schools this past summer the Union has become more adament in its stand to eliminate contract custodial service.

CONCLUSIONS

1. Cleaning is satisfactory as performed by Contractors.
2. Care of mechanical equipment and minor repairs are not done as well as by Board Custodians.
3. Administrative paperwork from contract schools is poor.
4. Overall service in a contract school depends on the person Contractor has in charge of the building, not on the Contractor.
5. Costs vary as compared to Board of Education operation from building to building and year to year.
6. Cost of extended use under contract operation is less than under Board of Education operation.

7. The administrative load for Plant Operation personnel in a contract school is much heavier than in a regular Board of Education school.
8. The contract system is too rigid for normal operation. Sudden changes in operation cannot be accommodated within reasonable cost parameters.
9. Before any expansion of this program is undertaken assurances must be made by the Board of Education and the Bureau of The Budget that procedures necessary for approval and bidding of contracts will not be delayed as they have been in the past.

RECOMMENDATIONS

1. It is recommended that the private contract method of operation be continued as a comparison to other methods of custodial operation.

2. It is recommended that the program be expanded to about twenty schools located in various areas of the City. Expansion beyond this number should be done gradually.

3. It is recommended that a modified version of contract operation be applied to a couple of the buildings mentioned in (2) above wherein Board of Education employees operate the mechanical plant and cleaning is done after hours by contract.

RGH:NS

Office of the Community Superintendent
4
Oficina del Superintendente Comunal

COMMUNITY SUPERINTENDENT
Mr. Anthony Alvarado
SUPERINTENDENTE COMUNAL

October 14, 1976

Mr. Raymond G. Hudson
Director
Bureau of Plant Operation
28-11 Bridge Plaza North
Long Island City, N.Y. 11101

Dear Mr. Hudson:

This is in response to your letter of September 17, 1976 regarding an evaluation of the private contract system of custodial service.

The principals in our district with the private contract system of custodial service differ in their opinions of the service.

Two principals are delighted to have the private contractors. They feel that the service is superior to the regular custodial service. Minor repairs are handled expeditiously, and the services provided are above contract specifications.

One principal considers the private contract system of custodial service satisfactory. However, he complains that the custodian's attitude is not always positive and he is not flexible.

The principal at J.H.S. 45 prefers Board of Education custodial service to contract service. He feels that the private contractor was only interested in providing a maintenance service. He has now seen an upgrading on major repairs that should have been done ten years ago. Under contract service there was no engineer on the premises which sometimes resulted in interrupted services.

In my opinion, both contract and regular Board of Education custodial services are satisfactory. However, a major advantage in having the contract service is that we do not have to pay for the extended use of school buildings. In addition to in-service courses we have permitted community groups to use our schools without charge. Due to the severe budgetary constraints, we are forced to curtail our activities after school hours. We will also have to deny community

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(212) 860-5858

groups the use of schools or charge them the opening fee.

I hope that this information will be helpful to you in preparing your evaluation. If we can be of further service, please feel free to contact me at 860-5894.

Very truly yours,

Shirley Walker

Shirley Walker
Deputy Superintendent

SW:rs

cc: Mr. McLaren Jr.
Mr. Lakritz
Mr. Hudson
Mr. Storm

Community School District 24

ANTHONY J. SANFILIPPO, Community Superintendent

VIRGINIA E. MORRISSEY
Executive Assistant

ANTHONY J. SPINA
Special Assistant

MICHAELA J. VILHOTTI
Director of Curriculum

HERBERT GALLUS
Business Manager

October 7, 1976

Mr. Raymond G. Hudson
Bureau of Plant Operation
Board of Education
28-11 Bridge Plaza North
Long Island City, N.Y. 11101

Dear Mr. Hudson:

Re your request for an evaluation of the private contract system of custodial service at I.S.61, I would rate the service excellent in terms of the following classifications:

1. General cleanliness of interior of building
2. General cleanliness of building exterior and outside areas
3. Heating and ventilation
4. Performance of minor repairs
5. Cooperativeness with Principal & teaching staff

In addition, I should like to quote directly from a letter written to me by Mr. Cook, the Principal of I.S.61.

"I have been at I.S.61Q since January 1973 and we have had a private custodial contract system all that time. I have found it to be far superior in cooperation and in general performance than any other system I have seen since I have been an administrator from 1963. Our custodian, Mr. Amalfitano, is a superb worker and I have not found one item I could complain about in the last three and a half years that I have been principal."

I trust that this information will be of value to you.

Sincerely,

Anthony J. Sanfilippo
Community Superintendent

AJS:AM

67-54 80TH STREET • MIDDLE VILLAGE, NEW YORK 11379 • 212/894-5020

DISTRICT 27

TELEPHONE 845-2300

COMMUNITY SCHOOL BOARD 27
MRS. ARLENE PEDONE, PRESIDENT

OFFICE OF DISTRICT SUPERINTENDENT OF SCHOOLS
PUBLIC SCHOOL 63
90-15 SUTTER AVENUE, OZONE PARK, N. Y. 11417

MARVIN R. AARON
DISTRICT SUPERINTENDENT

September 21, 1976

Mr. Raymond Hudson, Director
Division of School Buildings
28-11 Bridge Plaza North
Long Island City, New York 11101

Dear Mr. Hudson:

I am in receipt of your letter of September 17, 1976 regarding an evaluation of the private contract system of custodial service formerly at P.S. 225, Queens, Beach 110 Street and Rockaway Beach Boulevard, Rockaway Park, New York 11694.

This contract service operated in Community School District 27 approximately two years ago. My evaluation and that of the then Supervisor of Custodians, Mr. Robert Fellows, can jointly be expressed in one word, "UNSATISFACTORY."

Please be advised that there are many letters of correspondence from Community School Board 27 and the District Superintendent concerning our opinions of the private system. I am sure that Mr. McLaren will share these letters with you.

If there are any further problems regarding this matter, please feel free to communicate with me.

Thank you for your cooperation.

Yours very truly,

Marvin R. Aaron

Marvin R. Aaron
District Superintendent

MRA:ja

BOARD OF EDUCATION CITY OF NEW YORK
DISTRICT 29
221-10 JAMAICA AVENUE
QUEENS VILLAGE, N. Y. 11428
TELEPHONE: 740-1011

HOWARD ROSENSTEIN
COMMUNITY SUPERINTENDENT

October 14, 1976

Mr. Raymond G. Hudson, Director
Bureau of Plant Operation
Board of Education
Division of School Buildings
28-11 Bridge Plaza North
Long Island City, N.Y. 1101

Dear Mr. Hudson:

In reply to your letter dated September 17, 1976, we feel the regular Board employees do an outstanding job, a much better job than the contractors. We are more than pleased with the present custodial system at P.S. 181 and P.S. 195, and feel they do a greater overall job.

The present Board employees are much more receptive to the needs of the children, teachers, parents and community. Superintendent and principals have a working relationship with a resident custodian which we did not have with the contractor. We do have more input with the present system through our District Supervisor.

I do hope you are not considering going back to the contractors as we went through that before and would not like it repeated.

Very truly yours,

Howard Rosenstein
Community Superintendent

HR:pch

APPENDIX: 3

EDUCATIONAL PRIORITIES PANEL
RELEASE ON CUSTODIAL CARE IN
THE CITY SCHOOLS

APPENDIX: 3

EDUCATIONAL PRIORITIES PANEL
RELEASE ON CUSTODIAL CARE IN
THE CITY SCHOOLS

The enclosed press release and fact sheets were used in connection with a press conference held by the Educational Priorities Panel on custodial and maintenance costs on July 20, 1976; copies of the material were sent to the Deputy Chancellor's office that same day.

Many of the issues which were discussed by the Educational Priorities Panel were being studied at that time by the Bureau of Plant Operation, and the Project Management Unit of the Office of the Deputy Chancellor. This Working Note discusses in depth some of the issues raised by the Educational Priorities Panel.

PRESS RELEASE

EDUCATIONAL PRIORITIES PANEL

Twelfth Floor • 15 East 26th Street • New York, N.Y. 10010 • (212) 685-3563

Helen C. Heller, *Coordinator*

FOR IMMEDIATE RELEASE: TUESDAY, JULY 20, 1976

CONTACT: STANLEY LITOW--686-3348

Despite the fiscal crisis facing the city and its schools the custodians who maintain the city's 1020 school buildings are demanding revisions in a new contract that would cost in excess of $72 million.

The figure is based on analyses by the technical staff of the Educational Priorities Panel (EPP), made public today by the Panel.

The increases, the Panel pointed out, would come on top of a current annual outlay of $108 million and a contract that in the view of the Panel, already involves many questionable practices. The Panel called on the City Council to hold public hearings on the overall question of custodial practices and costs in the schools.

Beyond earlier allegations that custodians profited unduly when assigned to cover an extra school in the absence of the regular custodian and that they hired members of their own families the Panel raised a series of questions about custodial practices and union demands in the current negotiations.

It pointed out that New York and Buffalo are the only cities in the state where school custodians operate in an indirect "entrepreneurial" system.

Currently, New York's custodians are paid an allowance based primarily on the size of the school. After outlays for salaries and expenses, the custodians are permitted to keep up to $31,000 as personal income. Those covering two schools

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PRESS RELEASE

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Helen C. Heller, Coordinator

PRESS RELEASE--PAGE 2

can earn up to $62,000. Currently, 80 custodians have responsibility for two schools.

The custodial union, Local 891 of the International Union of Operating Engineers, is demanding removal of the $31,000 limit, a change which is estimated would cost $3 million annually.

In addition, the union is asking that the basis for computing custodial fees be shifted from school size to school category--elementary, junior high, and high school. This, it is estimated, would cost $12 million.

These and other demands, in the Panel's view, would add new "windfalls" to what already appears to be an overly generous and highly questionable custodial contract.

The EPP statement pointed out, for example, that custodians can now purchase capital equipment--vaccuum cleaners, floor sanders, floor waxers--out of their own maintenance allotments. The equipment becomes the custodian's personal property, and there are no restrictions on its use for other-than-school purposes. Custodians may also purchase jeeps for snow removal with 5/12 ths of purchase price coming from the Board and custodians paying the difference on their own. Personal use of the jeeps is unrestricted, and the vehicle is the property of the custodian.

Custodians, the Panel charges, receive another windfall in payments for maintenance of unused space in the schools. The average payment is roughly $1.30 per square foot of total building space.

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Helen C. Heller, *Coordinator*

PRESS RELEASE--PAGE 3

Where space is unused, the payment is reduced, but only by about 35¢ per square foot, meaning that custodians receive nearly a dollar per square foot for maintenance of unused space.

And, if the unused space in a school amounts to less than 6,000 square feet, the custodian is paid at the full rate.

In addition, the Panel questioned the practice under which funds in excess of the $31,000 income limit are retained by the custodians until 60 days after the close of the calendar year or leaving the job.

This meant that, last year, custodians had at their disposal $2.7 million in excess payments, which they were free to place in income-bearing personal bank accounts.

The Panel's statement also noted that the union is demanding elimination of a stipulation in the current contract under which the Board of Education and the union were to study alternate means of providing custodial services in the schools which might be more cost effective.

The Panel's statement urged the union and the Board of Education not to abandon studies designed to uncover more cost effective ways of delivering custodial services.

And the Panel objected strenuously to union demands that would make the after-hours opening of schools for community use prohibitively expensive. Under the existing fee structure many community groups have been effectively excluded from the use of school buildings, thus increasing their leasing of other suitable

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Helen C. Heller, *Coordinator*

PRESS RELEASE--PAGE 4

space. The Panel feels as if senior citizen groups, the Boy Scouts and Girl Scouts and other community agencies should be encouraged to operate in the schools with a reasonable use charge. Current union demands would significantly escalate those after hours charges.

Details of the EPP analyses are provided in the enclosed fact sheets.

The Educational Priorities Panel which includes 16 of the City's major parent, education, and civic groups, was organized six months ago to mount a united effort to analyze the Board of Education spending patterns and recommend a budget structure that puts the interests of children ahead of political or interest-group priorities. Any savings identified in custodial costs should, according to the Panel, be put into classroom services for children.

Member organizations include: Alliance for Children, ASPIRA of New York, Citizens Committee for Children of New York City, Inc., The City Club of New York, City-Wide Confederation of High School Parents Associations, Community Council of Greater New York, Community Service Society, League of Women Voters, New York Urban Coalition, New York Urban League, Parents Action Committee for Education, Public Education Association, Queensboro Federation of Parents Clubs, Queens Lay Advocate Service, United Parents Associations, and Women's City Club of New York, Inc.

Staff work is coordinated by INTERFACE, a non-profit management-support organization. Staff and operational costs have been underwritten by a grant from the Rockefeller Brothers Fund.

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Helen C. Heller, *Coordinator*

Fact Sheet--Current Custodial Contract

1. Capital Equipment: Capital equipment (e.g. vacuum cleaners, floor sanders, floor waxers) is purchased by the custodian with money from his allotment for school maintenance. The equipment is the custodian's personal property. The Board of Education says that this arrangement is cheaper than retaining public ownership of capital equipment because inventory and maintenance costs are avoided. But:

   a) There are no restrictions on utilization of the equipment for work outside of the schools.
   b) Capital equipment may be depreciated and replaced in as little as three years.

In addition, custodians may also purchase jeeps for snow removal with 5/12 ths of the purchase price coming from the Board and the custodians paying the difference on their own. The cost of the snow plow and accompanying modification are paid by the Board. Personal use of the jeeps is unrestricted, and the vehicle is the property of the custodian. Once again, depreciation and replacement may take place in as little as three years. Trade in value of the vehicle is taken into account when an allowance for a new jeep is approved.

2. Unused Space: The average cost of custodial service is approximately $1.30 per square foot. When school space is unused, the charge for custodial services goes down, but:

   a) The charges are reduced by 35.6¢ per square foot, leaving nearly one dollar per square foot in charges on unused space;
   b) The reduction in charges on unused space applies to amounts of over 6,000 square feet. Under that amount, the Board of Education must pay full maintenance charges even though the rooms in question are unused.

3. Custodial Personnel: Each custodian, acting in his "entrepreneurial" role, hires all the employees he needs to maintain his school building. But:

   a) There are no restrictions on the hiring of members of the custodian's family;
   b) There are no restrictions on the hiring of or minimal workloads for clerical personnel (e.g. bookkeeper) on custodian's staff.

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4. Double Coverage: When a custodial vacancy occurs due to illness, another custodian is appointed, temporarily until a permanent appointment can be made;

a) Custodians covering two schools are allowed to retain twice as much--$62,000--as those covering one school (the actual earnings are dependent on the sizes of the schools involved).
b) There are presently approximately 80 custodians doing double coverage.

5. Excess Earnings: Monies received by custodians which are above the amount which they are allowed to retain are labeled excess earnings. These funds must be kept in a separate special bank account in the custodian's name. But:

a) Custodians are allowed to keep the interest earned by these overpayments while on deposit (FY '75 excess earnings amounted to $2.7 million);
b) Excess earnings do not have to be returned to the Board of Education until 60 days after the close of the calendar year or separation from service.
c) Custodians are not required to account for these funds until the time of the required annual refund.

6. Pensions: Custodian's pensions are calculated on the basis of a "Pension Salary for Pension Purposes Only" salary schedule, which is higher than actual custodial salaries. The pension salary is equal to the maximum retained earnings from day school services. The pension salary is calculated at this level even if the custodian's income from these activities does not reach the maximum.

7. A description of the Buffalo Indirect System: Buffalo has the only other indirect custodial system in New York State. The system has 90 schools 89 of which are covered by the indirect method. The Board of Education in Buffalo is satisfied with the system, as are the custodians. An outside study recommended that all schools be placed under the indirect system. There are, however, important differences between the two systems:

a) Buffalo's custodians are Civil Service salaried employees; they do not derive their pay from a "retainage" of Board of Education monies, as is the case in New York City; they are paid according to a fixed salary schedule. Further, salaries are markedly lower in Buffalo:

Maximum Pay for a 40 hour week:

Buffalo	$15,160.00
New York City	$26,312.00

The salary differential cannot be explained by general salary levels in the two cities, as shown in the US Department of Labor figures for intermediate and higher level salaries for a family of four:

	Buffalo	New York City
Intermediate	$16,283	$17,498
Higher	$23,617	$27,071

Buffalo's system also provides more inexpensive coverage at the lower end of the salary scale. Approximately ¼ of the schools in the system are cared for by 2nd and 1st class custodians, whose salaries reach a maximum of $11,069 and $12,934 respectively, for a 40 hour week, while the maximum figure for those covering the smallest schools in New York City is $17,931.

b) The custodians in Buffalo have much less control over their operations than do their New York City counterparts. Hiring and firing practices are monitored by the Buffalo Board of Education. The Board enumerates the number of employees which the custodian may hire, according to the size of the school.

c) Maintenance allowances are calaulated so that excess earnings are non-existent.

d) Covering the breakfast program is included as part of the custodian's normal duties.

There is one major similarity between the two systems: Capital equipment is purchased with Board of Education money, and is owned and depreciated by the custodian.

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Helen C. Heller, *Coordinator*

Fact Sheet--Union Demands

A. Custodial allowances:

1. Change the basis for computing custodial allowances from the size of the school to the level of the school (Elementary, Jr. High, High School). Estimated cost: $13 million.

2. Removal of current $31,000 limit on net retained earnings. Estimated cost: $3 million.

3. Increase in salaries established for pension purposes. Estimated cost: $3 million.

4. Allowance for landscaped areas to be paid for at four times the current paved area rate. Estimated cost: $10 million.

5. Payment for labor in cafeteria/food areas to be calculated at time and one-half. Estimated cost: $3.4 million.

6. Premium Rate in day school schedule to be increased to time and one-half for Saturday, Sunday, and Holidays. Estimated cost: $5 million.

B. Access:

1. Cut current required attendance from the period 8am to 5pm to the period from 8am to 4pm. In conjunction, custodial services for day school activities are confined to services rendered between 8:40am and 3pm. Activities taking place outside these hours are subject to extra activity fees. Estimated cost: $3 million.

2. Payment for providing building access to contractors and mechanics on Saturday, Sunday, holidays, or prior to 8am or after 4pm on any other day at a rate of $42.33 per hour (present rate: $10 per hour) with a minimum of four hours. This results in a fee of $169.32 per access.

C. Controls

1. Elimination and re-negotiation of Rules and Regulations on custodial service requirements.

2. Elimination of review of miscellaneous expenditures.

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3. Eliminate wage regulations for personnel hired by the custodians.

D. Miscellaneous Terms

1. The elimination of any Board of Education studies pertaining to improved custodial services and methods of operation including use of the "direct system" and "independent contract system".

2. The newly proposed agreement is to be a one-year contract.

APPENDIX: 4

THREE YEAR COMPARISON OF CUSTODIAL APPROPRIATIONS AND EXPENDITURES FOR 74/75-75/76-76/77 FISCAL PERIODS

APPENDIX: 4

THREE YEAR COMPARISION OF APPROPRIATIONS AND EXPENDITURES FOR 74/75-75/76-76/77 FISCAL PERIODS

The material contained in this appendix was extracted from a report* prepared by the Office of Budget Operations and Review. The information presented explains the composition and amounts of budgeted and expended monies for custodial services. The detail data relates specifically to custodial allocations alone, within the Bureau of Plant Operation, and identifies the programs expending the funds (both Personal Service monies and Other Than Personal Service monies). Two items referred to in the report should be clarified:

- The AB report is a financial report prepared by the Division of Business and Administration; it brings together the latest available condition of the Board of Education budget and the latest available information on expenditures. The AB report is the key management control report available to the Board of Education
- Function 30-32021, Extended Use of School Buildings, provides funds for extra activity in the schools after the close of the normal day school activity.

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*The "Three Year Comparison of Custodial Appropriations and expenditures for 74/75-75/76-76/77 Fiscal Periods" was prepared for the Office of the Deputy Chancellor on October 19, 1976.

THREE YEAR COMPARISON OF EXPENDITURES AND APPROPRIATIONS FOR CUSTODIAL PROGRAM

Attached are charts with detailed data on the Custodial Program for the past three fiscal years.

Fiscal Year 1974-75

(a) All custodial operations, before taking required accruals into consideration, were in deficit by $2,765,977. The accruals that were not met accounted for a further deficit of $3,754,448 for a total deficit (excluding expenditures controlled by the districts) of $6,520,425.

(b) The school districts ran a deficit in Personal Service of $218,175 and a deficit of $17,451 in Other Than Personal Service but took in $678,683 in fees for extended use of school buildings for a district net surplus of $443,057.

(c) The overall custodial costs resulted in a deficit of $6,077,368.

(d) The budgeted amount for FY 74/75 increased by $12,252,334. An increase of $13,951,659 was due to collective bargaining increases, with other modifying action representing decreases of $1,699,325.

Fiscal Year 1975-76

(a) Expenditures were based on the AB report of June 1976 plus estimated costs from unrecorded payrolls supplied by the Office of Business Administration. Actual Personal Service costs will not be available until we receive the August 1976 AB report which will be ready in the middle of September 1976.

(b) The projected total deficit for the year is expected to be $9,191,322 which includes an accrual of $4,874,585 and excess expenditures of $4,316,737. These totals are exclusive of the district deficit of $389,340 which could be reduced by an increase in fees as yet unreported.

(c) The budgeted amount for 1975-76 increased by a net of $6,536,046 resulting from collective bargaining increase of $8,719,731 and an increase of $5,255,356 to meet anticipated deficit and an increase of $873,561 by various modification adjustments all increases offset by decrease of $4,015,800 for central staff cuts and decrease of $4,296,807 resulting from district rescheduling of custodial funds for extended use.

(d) The increase from the final budget of FY 1974-75 to the final budget of FY 1975-76 was $6,776,826.

Fiscal Year 1976-77

The budget for 1976-77 has decreased by $6,141,551 from the final budget for FY 1975-76 because the $5,255,356 additional funds provided for 1975-76 not carried over to 1976-77 and other reductions. The net decrease may be further decreased by the districts when the district schedulization takes place for function 30-32021 - Extended Use of School Buildings. This should be available in early October 1976.

THREE-YEAR SUMMARY

Fiscal Year	Adopted Budget	Final Budget	Modified (1976/77) Budget	Change	Expenditures	Surplus/Deficit
1974/75	$85,332,842	$ 97,585,176(*)		$12,252,334	$103,662,544	$(-) 6,077,368
1975/76	97,825,956	104,362,002(*) & (**)		6,536,046	113,942,664	(-) 9,580,662
1976/77	98,005,345		$ 98,220,451 (**)	215,106	Unavailable	Unavailable

* 1975/76 Budgeted Increase over 1974/75 $ 6,776,826 % increase 6.9%

** 1976/77 Budgeted Decrease from 1975/76 $(-)6,141,551 % decrease (-)5.9%

FISCAL YEAR 1974/75

Program/Function	Adopted Budget EM-5001	Final Budget EM-322	Change	Expenditures	Surplus or Deficit
5-32021	$ 22,902,678	$ 26,543,335	$ 3,640,657	$ 29,740,041	$(-) 3,196,706
6-11001	1,777,900	-	(-) 1,777,900	-	-
6-32021	4,436,163	5,433,135	996,972	2,365,424	3,067,711
6-Accruals	(-) 3,754,448	(-) 3,754,448	-	-	(-) 3,754,448
31-32021	53,238,693	62,587,721	9,349,028	65,224,703	(-) 2,636,982
30-32021	6,731,856	6,775,433	43,577	6,332,376	443,057
Total	$ 85,332,842	$ 97,585,176	$ 12,252,334	$ 103,662,544	$(-) 6,077,368

Budget for Custodial Costs was modified as follows:

EM 14	Transfer to Mandatory and Essential Costs	$(-) 500,000
EM 26	Cost for New School Building Headquarters	218,850
EM 34, 137, 157	Coll. Bargaining & Labor Relations Increases	13,951,659
EM 115, 257, 316	District Schedulizations	(-) 1,256,732
EM 55	Central Reduction in Support Services	(-) 247,000
	Other Transfers	85,557
	Total	$ 12,252,334

FISCAL YEAR 1975/76

Program/Function	Adopted Budget EM-05	Final Budget EM-229	Change	Expenditures AB 6/76	Surplus or Deficit
5-32021	$ 26,263,335	$ 28,482,242	$ 2,218,907	$ 31,047,445	$(-) 2,565,203
6-11001 (Lump Sum Cust. Serv.)	2,264,023	-	(-) 2,264,023	-	-
6-32021	5,266,613	6,511,142	1,244,529	4,174,416	2,336,726
31-32021	62,587,721	71,309,848	8,722,127	71,163,679	146,169
30-32021	6,318,849	2,933,355	(-) 3,385,494	3,322,695	(-) 389,340
5 & 31 Accruals	(-) 4,874,585	(-) 4,874,585	-	-	(-) 4,874,585
				$ 109,708,235	$(-) 5,346,233
			Encumbrance Currently Unassigned	4,234,429	(-) 4,234,429
Total	$ 97,825,956	$ 104,362,002	$ 6,536,046	$ 113,942,664	$(-) 9,580,662

Budget for Custodial Costs were modified as follows:

EM 14	District Carryover	$ 436,365
EM 23	Schedule of original budget cuts	(-) 4,015,800
EM 92	District Schedulization	(-) 4,296,802
EM 122	Schedule of Collective Bargaining Increase	8,719,731
EM 202	Modification to cover deficit	5,255,356
	Sub-Total	$ 6,098,850
	Other Adjustments	437,196
	Total	$ 6,536,046

FISCAL YEAR 1976/77

Program/Function	Adopted Budget EM-05	Modified Budget EM-33	Change
5-32021	$ 25,470,150	$ 25,479,585	$ 9,435
6-11001	250,073	250,073	-
6-32021	5,162,315	5,367,414	205,099
31-32021	64,449,925	64,450,497	572
30-32021	2,672,882	2,672,882	-
Total	$ 98,005,345	$ 98,220,451	$ 215,106

Budget for Custodial Costs modified as follows:

EM 17	Adjustment for split rates	$ 7,964
EM 30	Carryover FY-1976	204,175
EM 33	Kathy Kelly Assessment	2,967
	Total	$215,106

FISCAL YEAR 1974-1975

Program/Function	Line or Code	Title or Description	Adopted Budget FM-5001	Final Budget FM-322	Expenditure AB Report 2/76	Surplus/Defic
5-32021	L. 1341, 1344	Custodian	$ 18,036,568	$ 21,272,760	$ 22,365,462	$(-) 1,092,70
	L. 1343, 1345	Non-Custodial	1,161,000	1,255,625	1,104,638	150,98
		PS - Sub Total	$ 19,197,568	$ 22,528,385	$ 23,470,100	$(-) 941,71
	Code 741	Unemployment Insurance	$ 59,000	$ 59,000	$ 9,581	$ 49,41
	Code 744	Welfare Benefits	910,530	955,940	1,024,416	(-) 68,47
	Code 169	Building & Maintenance	-	-	735	(-) 73
	Code 330	Instructional Equipment	-	-	83	(-) 8
	Code 400	Contractual Services	-	-	290	(-) 29
		OTPS - Sub Total	$ 969,530	$ 1,014,949	$ 1,035,105	$(-) 20,16
		Sub Total (Without Extended Use)	$ 20,167,098	$ 23,543,325	$ 24,505,205	$(-) 961,88
	L. 1342	Extended Use of School Buildings	2,735,580	3,000,010	5,234,836	(-) 2,234,82
		Program Total	$ 22,902,678	$ 26,543,335	$ 29,740,041	$(-) 3,196,70
6-11001	L. 53	Lump Sum Custodial Services	$ 1,777,900	-	-	-
6-32021	L. 801,807	Custodian	$ 3,564,729	$ 4,334,376	$ 1,606,574	$ 2,727,80
	L. 803-805,810,811	Non-Custodial	280,742	339,469	237,498	101,97
		PS - Sub Total (Without Extended Use)	$ 3,845,471	$ 4,673,845	$ 1,844,072	$ 2,829,77
	Code 400	Contractual Services	$ 222,000	$ 202,000	$ 239,013	$(-) 37,01
	Code 741	Unemployment Insurance	7,800	7,800	-	7,80
	Code 742	Disability Benefits	40,000	200,000	183,616	16,38
	Code 744	Welfare Benefits	110,650	147,700	129,201	18,49
	Code 301	Office Furniture	-	-	173	(-) 17
	Code 408	Repairs	-	-	9,224	(-) 9,22
		OTPS - Sub Total	$ 380,450	$ 557,500	$ 561,227	$(-) 3,72
		Function Sub-Total (Without Extended Use)	$ 4,225,921	$ 5,231,345	$ 2,405,299	$ 2,826,04
	L. 802	Extended Use of School Buildings	210,242	201,790	(-) 39,875	241,66
		Function Total	$ 4,436,163	$ 5,433,135	$ 2,365,424	$ 3,067,71
		Program Total	$ 6,214,063	$ 5,433,135	$ 2,365,424	$ 3,067,71
31-32021	L. 2401,2403	Custodian	$ 49,255,835	$ 57,933,636	$ 61,638,423	$(-) 3,704,78
	L. 2402	Non-Custodial	106,163	112,850	111,461	1,38
		PS - Sub Total	$ 49,361,998	$ 58,046,486	$ 61,749,884	$(-) 3,703,39
	Code 400	Contractual Services	$ 1,034,000	$ 1,004,000	$ 24,017	$ 979,98
	Code 741	Unemployment Insurance	169,200	259,200	259,200	-
	Code 744	Welfare Benefits	2,673,495	3,278,035	3,132,441	145,59
	Code 100	Supplies & Materials	-	-	9	(-)
	Code 130	Instructional Supplies	-	-	(-) 14	1
	Code 169	Building & Maintenance	-	-	2,071	(-) 2,07
	Code 300	Equipment - General	-	-	9,442	(-) 9,44
	Code 301	Office Furniture	-	-	6,373	(-) 6,37
	Code 330	Instructional Equipment	-	-	(-) 90	9
	Code 408	Repairs	-	-	84,263	(-) 84,26
	Code 412	Rental of Miscellaneous Equipment	-	-	1,061	(-) 1,06
		OTPS - Sub Total	$ 3,876,695	$ 4,541,235	$ 3,518,773	$ 1,022,46
		Function Sub-Total	$ 53,238,693	$ 62,587,721	$ 65,268,657	$(-) 2,680,93
		Extended Use of School Buildings - PS	-	-	$ 445,885	$(-) 445,88
	Code 950	Fees for Service	-	-	(-) 489,839	489,83
		Extended Use - Sub Total	-	-	$(-) 43,954	$ 43,95
		Program Total	$ 53,238,693	$ 62,587,721	$ 65,224,703	$(-) 2,636,98
		Gross Total Programs 5, 6 and 31 - Custodial Costs	$ 82,355,434	$ 94,564,191	$ 97,330,168	$(-) 2,765,97
		Less Accruals Program 6	(-) 3,754,448	(-) 3,754,448	-	(-) 3,754,44
		Net Total - Programs 5, 6, and 31	$ 78,600,986	$ 90,809,743	$ 97,330,168	$(-) 6,520,42

FISCAL YEAR 1974-1975

Program/Function	Line or Code	Title or Description	Adopted Budget EM-5001	Final Budget EM-322	Expenditure AB Report 2/76	Surplus/Defic
30-32021	L. 2501	Extended Use of School Buildings	$ 6,731,856	$ 6,775,433	$ 6,979,718	$(-) 204,2
		Other Personal Service	-	-	13,890	(-) 13,8
		PS - Sub Total	$ 6,731,856	$ 6,775,433	$ 6,993,608	$(-) 218,1
	Code 100	Supplies and Materials	-	-	$ 800	$(-) 8
	Code 130	Instructional Supplies	-	-	809	(-) 8
	Code 169	Building & Maintenance	-	-	467	(-) 4
	Code 300	Equipment	-	-	249	(-) 2
	Code 337	Textbooks	-	-	(-) 544	5
	Code 403	Office Services	-	-	13,381	(-) 13,3
	Code 408	Repairs	-	-	539	(-) 5
	Code 703	Rents	-	-	1,750	(-) 1,7
	Code 950	Fees for Services	-	-	(-) 678,683	678,6
		OTPS - Sub Total	-	-	$(-) 661,232	$ 661,2
		Program Total	$ 6,731,856	$ 6,775,433	$ 6,332,376	$ 443,0
		Grand Total	$ 85,332,842	$ 97,585,176	$ 103,662,544	$(-) 6,077,3

SUMMARY OF BUDGET MODIFICATION

Program/Function	Adopted Budget EM-5001	Final Budget EM-322	Change
5-32021	$ 22,902,678	$ 26,543,335	$ 3,640,657
6-11001	1,777,900	-	(-) 1,777,900
6-32021	4,436,163	5,433,135	996,972
6-Accruals	(-) 3,754,448	(-) 3,754,448	-
31-32021	53,238,693	62,587,721	9,349,028
30-32021	6,731,856	6,775,433	43,577
Total	$ 85,332,842	$ 97,585,176	$ 12,252,334

Budget for Custodial Costs was modified as follows:

EM 14	Transfer to Mandatory and Essential Costs	$(-) 500,000
EM 26	Costs for New School Building Headquarters	218,850
EM 34,137,157	Coll. Bargaining & Labor Relations Increases	13,951,659
EM 115,257,316	District Schedulizations	(-) 1,256,732
EM 55	Central Reduction in Support Services	(-) 247,000
	Other Transfers	85,557
	Total	$ 12,252,334

CUSTODIAL COSTS

FISCAL YEAR 1975-1976

Program/Function	Line or Code	Title or Description	Adopted Budget FM-5005	Final Budget FM-229	Expenditure AB Report 6/76	Surplus/Deficit
5-32021	L. 1341,1344	Custodian	$ 20,832,760	$ 22,923,530	$ 24,416,947	$(-) 1,493,417
	L. 1343,1345	Non-Custodial	1,245,625	1,166,470	1,070,452	96,018
		PS - Sub Total (Without Extended Use)	$ 22,078,385	$ 24,090,000	$ 25,487,399	$(-) 1,397,399
	Code 741	Unemployment Insurance	$ 59,000	$ 59,000	-	$ 59,000
	Code 744	Welfare Benefits	1,115,940	1,435,970	1,249,380	186,590
	Code 400	Contractual Services	-	-	350	(-) 350
		OTPS - Sub Total	$ 1,174,940	$ 1,494,970	$ 1,249,730	$ 245,240
		Sub-Total (Without Extended Use)	$ 23,253,325	$ 25,584,970	$ 26,737,129	$(-) 1,152,159
	L. 1342	Extended Use of School Buildings	$ 3,010,010	$ 2,897,272	$ 4,396,280	$(-) 1,499,008
	Code 950	Fees for Services	-	-	(-) 85,964	85,964
		Extended Use Total	$ 3,010,010	$ 2,897,272	$ 4,310,316	$(-) 1,413,044
		Program Total	$ 26,263,335	$ 28,482,242	$ 31,047,445	$(-) 2,565,203
6-11001	L. 59	Lump Sum Custodial Service	$ 2,264,023	-	-	-
6-32021	L. 801,807	Custodian	$ 4,334,376	$ 5,308,617	$ 3,606,416	$ 1,702,201
	L. 803-805,810,811	Non-Custodial	338,569	315,374	229,885	85,489
		PS - Sub Total (Without Extended Use)	$ 4,672,945	$ 5,623,991	$ 3,836,301	$ 1,787,690
	Code 400	Contractual Service	$ 222,000	$ 272,000	$ 160,221	$ 111,779
	Code 741	Unemployment Insurance	7,800	7,800	-	7,800
	Code 742	Disability Benefits	40,000	360,000	65,949	294,051
	Code 744	Welfare Benefits	147,700	73,675	87,882	(-) 14,207
	Code 109	Fuel	-	-	3,646	(-) 3,646
	Code 300	Equipment - General	-	-	2,929	(-) 2,929
	Code 408	Repairs	-	-	247	(-) 247
		OTPS - Sub Total	$ 417,500	$ 713,475	$ 320,874	$ 392,601
		Sub-Total (Without Extended Use)	$ 5,090,445	$ 6,337,466	$ 4,157,175	$ 2,180,291
	L. 802	Extended Use of School Buildings	176,168	173,676	17,241	156,435
		Function Total	$ 5,266,613	$ 6,511,142	$ 4,174,416	$ 2,336,726
		Program Total	$ 7,530,636	$ 6,511,142	$ 4,174,416	$ 2,336,726
31-32021	L. 2401,2403	Custodian	$ 57,933,636	$ 66,045,156	$ 67,152,470	$(-) 1,107,314
	L. 2402	Non-Custodial	112,850	120,000	113,915	6,085
		PS - Sub Total	$ 58,046,486	$ 66,165,156	$ 67,266,385	$(-) 1,101,229
	Code 400	Contractual Service	$ 1,004,000	$ 650,041	$ 525,968	$ 124,073
	Code 741	Unemployment Insurance	259,200	259,200	467,148	(-) 207,948
	Code 744	Welfare Benefits	3,278,035	4,235,451	3,071,663	1,163,788
	Code 100	Supplies & Materials	-	-	205	(-) 205
	Code 130	Instructional Supplies	-	-	323	(-) 323
	Code 169	Building & Maintenance	-	-	98	(-) 98
	Code 408	Repairs	-	-	(-) 32	32
	Code 423	Heat, Light and Power	-	-	(-) 3,992	3,992
		OTPS - Sub Total	$ 4,541,235	$ 5,144,692	$ 4,061,381	$ 1,083,311
		Function Sub-Total	$ 62,587,721	$ 71,309,848	$ 71,327,766	$(-) 17,918
	L. 802	Extended Use of School Buildings	-	-	106	(-) 106
	Code 950	Fees for Services	-	-	(-) 164,193	164,19
		Sub-Total Extended Use of Sch. Bldgs.	-	-	(-) 164,087	164,08
		Program Total	$ 62,587,721	$ 71,309,848	$ 71,163,679	$ 146,16

Program/Function	Line or Code	Title or Description	Adopted Budget EM-5005	Final Budget EM-229	Expenditure AB Report 6/76	Surplus/Defici
		Gross Total Programs 5, 6, 31	$ 96,381,692	$106,303,232	$106,385,540	$(-) 82,308
		Accrual Programs 6 & 31	(-)4,874,585	(-)4,874,585	-	(-) 4,874,585
		Estimated Encumbrances not included in AB Report				
		Custodial (DE 112 & DE 202)	-	-	$ 1,517,000	$(-) 1,517,000
		Non-Custodial (DE 205)	-	-	30,000	(-) 30,000
		Extended Use (DE 113)	-	-	343,000	(-) 343,000
		PS Not Included	-	-	$ 1,890,000	$(-) 1,890,000
	Code 741	Unemployment Insurance	-	-	$ 700,000	$(-) 700,000
	Code 742	Disability Benefits	-	-	294,051	(-) 294,051
	Code 744	Welfare Benefits	-	-	1,350,378	(-) 1,350,378
		OTPS Not Included	-	-	$ 2,344,429	$(-) 2,344,429
		Total Encumbrances	-	-	$ 4,234,429	$(-) 4,234,429
		Net Total Programs 5, 6 and 31	$ 91,507,107	$101,428,647	$110,619,969	$(-) 9,191,322
30-32021	L. 2501	Extended Use	$ 6,318,849	$ 2,933,355	$ 3,418,438	$(-) 485,083
	Code 330	Instructional Equipment	-	-	$ 7,026	$(-) 7,026
	Code 403	Office Services	-	-	55,842	(-) 55,842
	Code 703	Rents	-	-	1,000	(-) 1,000
	Code 950	Fees for Services	-	-	(-) 392,611	392,611
		OTPS Total	-	-	$(-) 328,743	$ 328,743
		Gross Program Total	$ 6,318,849	$ 2,933,355	$ 3,089,695	$(-) 156,340
		Encumbrance Not Included (DE 113)	-	-	233,000	(-) 233,000
		Net Program 30 Total	$ 6,318,849	$ 2,933,355	$ 3,322,695	$(-) 389,340
		Grand Total	$ 97,825,956	$104,362,002	$113,942,664	$(-) 9,580,662

SUMMARY OF BUDGET MODIFICATION

Program/Function	Adopted Budget EM 05	Final Budget EM 229	Change
5-32021	$ 26,263,335	$ 28,482,242	$(+) 2,218,907
6-11001(Lump Sum Cust. Serv)	2,264,023	-	(-) 2,264,023
6-32021	5,266,613	6,511,142	(+) 1,244,529
31-32021	62,587,721	71,309,848	(+) 8,722,127
30-32021	6,318,849	2,933,355	(-) 3,385,494
6 & 31 Accruals	(-)4,874,585	(-)4,874,585	-
Total	$ 97,825,956	$104,362,002	$ 6,536,046

Budget for Custodial Costs were modified as follows:

EM 9	District Carryover	$(+) 436,365
EM 23	Schedule of original budget cuts	(-)4,015,800
EM 92	District Schedulization	(-)4,296,802
EM 122	Schedule of Collective Bargaining Increase	(+)8,719,731
EM 202	Modification to cover deficit	(+)5,255,356
	Sub-Total	$ 6,098,850
	Other Adjustments	437,196
	Total	$ 6,536,046

1975/76 Budgeted Increase Over
1974/75 $6,776,826
% Increase 6.9%

FISCAL YEAR 1976-1977

Program/Function	Line or Code	Title or Description	Adopted Budget FM-5	Modified Budget FM-11	Change	FM # of Change
5-32021	L. 1341,1344	Custodian	$19,623,688	$19,623,688	$ -	
	L. 1343	Non-Custodial	1,404,220	1,410,688	6,468	FM-17
		PS Sub-Total	$21,027,908	$21,034,376	$ 6,468	
	Code 741	Unemployment Insurance	$ 59,000	$ 59,000	$ -	
	Code 744	Welfare Benefits	1,435,970	1,435,970	-	
		OTPS Sub-Total	$ 1,494,970	$ 1,494,970	-	
		Sub-Total Without Extended Use	$22,522,878	$22,529,346	$ 6,468	
	L. 1342	Extended Use of School Buildings	2,947,272	2,950,239	2,967	FM-33
		Program Total	$25,470,150	$25,479,585	$ 9,435	
6-11001	L. 59	Lump Sum Custodial Service	$ 250,073	$ 250,073	$ -	
6-32021	L. 801,807	Custodial	$ 4,157,815	$ 4,157,815	$ -	
	L. 803-805,810,811	Non-Custodial	321,524	322,448	924	FM-17
		PS Sub-Total	$ 4,479,339	$ 4,480,263	$ 924	
	Code 400	Custodial Service	$ 272,000	$ 272,000	$ -	
	Code 741	Unemployment Insurance	7,800	7,800	-	
	Code 742	Disability Insurance	40,000	360,000	320,000	FM-30
	Code 744	Welfare Benefits	189,500	73,675	(-)115,825	FM-30
		OTPS Sub-Total	$ 509,300	$ 713,475	$ 204,175	
		Function Total Without Extended Use	$ 4,988,639	$ 5,193,738	$ 205,099	
	L. 802	Extend Use of School Buildings	173,676	173,676	-	
		Function Total	$ 5,162,315	$ 5,367,414	$ 205,099	
		Program Total	$ 5,412,388	$ 5,617,487	$ 205,099	
31-32021	L. 2401,2403	Custodial	$59,076,983	$59,076,983	$ -	
	L. 2402	Non-Custodial	123,250	123,822	572	FM-17
		PS Sub-Total	$59,200,233	$59,200,805	$ 572	
	Code 400	Custodial Service	$ 755,041	$ 755,041	$ -	
	Code 741	Unemployment Insurance	259,200	259,200	-	
	Code 744	Welfare Benefits	4,235,451	4,235,451	-	
		OTPS Sub-Total	$ 5,249,692	$ 5,249,692	$ -	
		Program Total	$64,449,925	$64,450,497	$ 572	
		Total Programs 5, 6 and 31	$95,332,463	$95,547,569	$ 215,106	
30-32021	L. 2501	Extended Use of School Buildings	$ 2,672,882	$ 2,672,882	$ -	
		Grand Total	$98,005,345	$98,220,451	$ 215,106	

SUMMARY OF BUDGET MODIFICATION

Program/Function	Adopted Budget EM-5	Modified Budget EM-11	Change
5-32021	$ 25,470,150	$ 25,479,585	$ 9,435
6-11001	250,073	250,073	-
6-32021	5,162,315	5,367,414	205,099
31-32021	64,449,925	64,450,497	572
30-32021	2,672,882	2,672,882	-
Total	$ 98,005,345	$ 98,220,451	$215,106

Budget for Custodial Costs modified as follows:

EM-17	Adjustment for split rates	$ 7,964
EM-30	Carryover FY-1976	204,175
EM-33	Kathy Kelly Assessment	2,967
	Total	$215,106

Decrease FY-1976/77 from 1975/76 (-)$6,141,551
(-) 5.9%

APPENDIX: 5

BUREAU OF PLANT OPERATION CIRCULARS NOS. 11, 22, and 26

APPENDIX: 5

BUREAU OF PLANT OPERATION CIRCULARS
NOS. 11, 22, and 26

The Bureau of Plant Operation Circulars Nos. 11, 22, and 26, copies of which are enclosed in this appendix, were released by the Bureau of Plant Operation under the direction of Mr. Hudson, Director, on December 2, 1975, April 6, 1976 and July 22, 1976, respectively. These circulars, as discussed in the introductory letter of Mr. Hudson on the following page, describe new custodial service policies necessitated by budget cuts for fiscal year 1976-1977. Specific frequencies of cleaning, mopping, etc., are presented. Copies of these circulars were sent to all Community School District Superintendents.

BOARD OF EDUCATION OF THE CITY OF NEW YORK
DIVISION OF SCHOOL BUILDINGS
28-11 BRIDGE PLAZA NORTH
LONG ISLAND CITY, N Y 11101
TELEPHONE 361-7711

HUGH McLAREN, JR
EXECUTIVE DIRECTOR

OFFICE OF MAINTENANCE AND OPERATION
BERNARD LAKRITZ, DIRECTOR

BUREAU OF MAINTENANCE
HERBERT EISDORFER, DIRECTOR

BUREAU OF OPERATION
RAYMOND G. HUDSON, DIRECTOR

DIRECTOR OF STAFF
CHARLES FRANCESCANI

OFFICE OF DESIGN AND CONSTRUCTION
JAMES F. FOUHY, DIRECTOR

BUREAU OF DESIGN
RALPH A. DI MARTINO, DIRECTOR

BUREAU OF CONSTRUCTION
ALFRED H. TURECAMO, DIRECTOR

BUREAU OF MODERNIZATION AND RECONSTRUCTION
JOSEPH A. MAY, JR., DIRECTOR

July 26, 1976

OFFICE OF
DEPUTY CHANCELLOR
'76 JUL 30 AM 9

Mr. Leonard Lurie
Community Superintendent - District #1
Public School 137
327 Cherry Street
New York, New York 10002

Dear Mr. Lurie:

It is with extreme regret that I must curtail custodial service in all our buildings. Budget cuts and services that were not funded left a gap of approximately $12,500,000 between the budget expenditures. I am sure you can understand why service cuts are necessary.

In short, the reduction in service amounts to cleaning classrooms, offices, and other such spaces every other day. Waste receptacles will be emptied daily. The cafeteria and toilet rooms will be cleaned daily. Outside areas will be cleaned three times a week. Windows will be washed once a year. I am enclosing copies of Plant Operation Circulars #11, #22, and #26 which give the details of the service reductions. Similar service reductions have been in force in Los Angeles Schools for several years.

I am requesting your cooperation in impressing on teachers and students the necessity for more care in disposing of trash and waste. If refuse is deposited in waste receptacles rather than thrown at the receptacle the building will remain in a presentable condition. With your cooperation I hope to be able to cope with an undesirable situation until funds are once again available to provide full service.

Yours very truly,
Hugh Mc

HUGH McLAREN JR.
Executive Director
Division of School Buildings

RGH:NS
Enclosure: Plant Operation Circulars #11, #22, #26
cc: Chairman - Community School Board * Mr. Irving Anker
Dr. Bernard R. Gifford * District File

BOARD OF EDUCATION OF THE CITY OF NEW YORK
DIVISION OF SCHOOL BUILDINGS
OFFICE OF PLANT OPERATION AND MAINTENANCE
BUREAU OF PLANT OPERATION

December 2, 1975

PLANT OPERATION CIRCULAR NO. 11 - 1975/76

NOTE: All Circulars are to be kept in a permanent file

TO SCHOOL CUSTODIAN ENGINEERS AND SCHOOL CUSTODIANS

1. REDUCTION OF CAFETERIA SERVICE AND ALLOWANCE

It is regretted that due to the extreme budget crisis it will be necessary to reduce the service required in cafeterias and consequently the monetary allowance for such service effective December 12, 1975.

The reduction in service will be changing the requirement for two complete scrubbings per week to one scrubbing per week. The change in compensation for this reduction will be:

FROM	ELEMENTARY	$ 6,515.20	TO	$5,090.00
	IS/JHS/HS ANNEX	9,162.00		6,713.30
	HIGH SCHOOL	11,198.00		8,144.00

The service requirements in cafeterias/lunchrooms effective December 12, 1975 will be:

CAFETERIA/LUNCHROOM ALLOWANCE

For moving chairs and/or benches immediately after the final lunch period each day in order to enable the custodial force to perform all the Custodian's required duties and to scrub the entire floor area of the cafeteria/lunchroom area once each week and to spot mop spillages daily during the lunch periods.

Elementary Schools	$5,090.00
Junior High, Intermediate and High School Annexes	6,713.30
High Schools	8,144.00

- -

2. COMPENSATION REPORT P.O. #1

The Compensation Report (P.O. #1) for the period November 28 through December 25, 1975 must be put in the mail on December 24, 1975 to the Custodial Payroll Section, 65 Court Street, Brooklyn 11201. The W-2 forms must be prepared during the early part of January 1976. If Compensation Reports are delayed the whole process is held up. It is most important that the Compensation Reports be placed in the mail on December 24, 1975.

- -

3. COMPENSATION REPORTS

The address to which the original copy of the Compensation Report (P.O. #1) must be mailed is:

Custodial Payrolls
Bureau of Non-Pedagogic Compensation
Board of Education
65 Court Street
Brooklyn, New York 11201

BOARD OF EDUCATION OF THE CITY OF NEW YORK
DIVISION OF SCHOOL BUILDINGS
OFFICE OF PLANT OPERATION AND MAINTENANCE
BUREAU OF PLANT OPERATION

April 6, 1976

PLANT OPERATION CIRCULAR NO. 22 - 1975/76

NOTE: All Circulars are to be kept in a permanent file

TO SCHOOL CUSTODIAN ENGINEERS AND SCHOOL CUSTODIANS

1. REDUCTION IN SERVICE

It is regretted that the budget crisis necessitates the implementation of service reductions effective April 16, 1976 as outlined in Item 1 of Plant Operation Circular #19 - 1975/76.

Effective April 16, 1976 paragraph 4.4 - Window Cleaning of the Custodial Rules will be amended to read:

> The Custodian shall be responsible for keeping the windows clean in his building. The windows throughout the exterior and interior shall be cleaned during the summer recess in the period August 15 to September 14. Interior glass except transoms shall be cleaned at least once each month during school terms.

Effective April 16, 1976 the following paragraphs of the Custodial Rules will be amended to read:

> 4.3.1 - Paved Areas
> The Custodian shall have all playgrounds, sidewalks, courts, etc., swept on Monday, Wednesday and Friday. If hose connections are available they shall be flushed when necessary except during those periods when use of a hose is restricted by law. Encumbrances or hazardous material will be removed from paved areas whenever necessary.
>
> 4.3.2 - Unpaved Areas
> Unpaved areas such as playgrounds, grass plots, shrubbery and tree areas shall be cleared of papers, debris, etc., on Monday, Wednesday and Friday. Hazardous material will be removed whenever necessary.
>
> 4.3.4 Snow and Ice Removal
> (a) Sidewalks and Steps
> Paths five feet wide shall be cleared of snow on the public sidewalk to all entrances to the school building at least a half hour before sessions start. Paths five feet wide shall then be cleared on sidewalks adjacent to school building and cut to curb in front of main entrance.
>
> Within four hours after the snow ceases to fall (the time between 9 PM and 7 AM not included) as provided by the Code of the City of New York, all snow shall be removed from the sidewalks.
>
> Sand, damp sawdust, or ashes shall be sprinkled upon sidewalks where they are in a slippery condition. Salt shall be used on fire escapes or drains. A supply of salt and sand shall be kept on hand during the winter season.

REDUCTION IN SERVICE, Continued

(b) • Playgrounds
The Custodian shall start clearing snow from the playground as soon as the clearing of sidewalks is completed. Only those yards on which exits open need be cleared. Outer yards should be closed off until the snow melts. The snow in those yards that must be cleared to provide exit shall be piled in the most favorable location for working, melting and draining.

For your information, to determine the effect this reduction in service will have on your annual compensation multiply your floor area in thousand square feet by $6.80. This will be the annual deduction for window cleaning. Multiply the dollar amount for paved area by 40% and this will be the reduction for paved area. As an example:

Floor Area 41 M	$35,461.99	Less	$ 278.80
Elementary Lunchroom	5,090.00		
Paved Area 27 M	5,191.70	Less	2,076.68
Premium	2,065.08		
	$47,808.77		$2,355.48
DEDUCTION	2,355.48		
NEW GROSS COMPENSATION	$45,453.29		

- -

2. EMERGENCY CALLS ON SHOPS

School Custodians are not to phone the shops directly for emergency service. All calls for such service will be directed to your Supervisor or the Area Manager.

- -

3. DEGREE DAYS

The "Normal" degree days, the degree days for last year and the degree days for the current heating season for the months indicated follows:

	Normal	1974/75	1975/76
May	118	165	86
June	9	27	11
July	0	1	0
August	0	0	0
September	30	59	62
October	233	333	192
November	540	502	387
December	902	789	898
January	986	852	1163
February	885	812	723
March	760	764	630
TOTAL	4463	4304	4152

BOARD OF EDUCATION OF THE CITY OF NEW YORK
DIVISION OF SCHOOL BUILDINGS
OFFICE OF PLANT OPERATION AND MAINTENANCE
BUREAU OF PLANT OPERATION

June 22, 1976

PLANT OPERATION CIRCULAR NO. 26 - 1975/76

NOTE: All Circulars are to be kept in a permanent file

TO SCHOOL CUSTODIAN ENGINEERS AND SCHOOL CUSTODIANS

1. REDUCTION IN SERVICE

Budget cuts for fiscal 1976/77 require reductions in custodial service so that the Bureau remains within the budget allotted. It is with extreme regret that these reductions are made.

To permit an orderly termination of any of your employees who will be declared in excess, the service reductions will be effective July 1, 1976. So that notice and vacation obligations may be completed the reduction in compensation for these service cuts will be effective August 6, 1976.

Effective July 1, 1976 the following paragraphs of the "Custodial Rules" will be amended to read:

4.1.3 Time of Cleaning
The Custodian shall see that all rooms, entries, corridors, stairways, etc., are cleaned every other school day after the close of the regular school session and 1/2 hour before the start of the session in the morning of the next school day. All waste receptacles throughout the building will be emptied daily and the trash removed. With the concurrence of the Principal any areas may be cleaned during the school day. When there are evening activities, the space to be used shall be "picked up" before or after the evening session as conditions warrant.

Surrender of Spaces to Custodian
In elementary schools classrooms must be made available to the Custodian for cleaning not later than one half hour after the close of the session.

Vacation Programs
The Custodian shall thoroughly clean his school building before the opening of schools in September each year, and also clean the building during the Christmas and Easter recess periods. These cleanups shall include:

Summer Only
a. Washing of glazed brick and tile walls.
b. Dusting of ceilings.
c. Dusting of window shades and blinds.
d. Washing of walls, baseboards, wainscoting, doors, frames, sills, sash and all painted and varnished surfaces.
e. Washing of furniture.
f. Wiping of picture molding and the fronts and backs of pictures.
g. Emptying, washing down and cleaning the interior of water storage tanks. Inspecting interior of tank for necessary repairs and reporting same.

All Vacation Periods
a. Scrubbing of floors in entries, halls, stairways, corridors, rooms and other areas occupied by the school organization. At Christmas and Easter mopping is permissible.

4.2 Indoor Cleaning

4.2.1 School Spaces

(a) Classrooms

Classrooms shall be cleaned every other school day by sweeping, dust mopping or vacuuming floors. Furniture, cabinets, window sills and moulding and trim under and on blackboards shall also be dusted. Waste receptacles will be emptied daily. Sinks and drinking fountains located in classrooms will be cleaned daily.

Once a month door knobs and metal chalk troughs will be washed. Doors, walls, top of wardrobes and cabinets and woodwork shall be cleaned monthly. Glass in doors, cabinets and bookcases will be cleaned monthly.

Three times a year during Christmas, Easter and summer vacation classroom floors will be mopped or scrubbed. During summer vacation period all furniture, woodwork, walls, lighting fixtures and lighting fixture glassware will be washed. Walls, ceilings, pictures, and window shades will be dusted.

(b) Offices and Libraries

The Principal's Office and all other offices or rooms used for offices or library purposes shall be cleaned in the same manner as classrooms. All office furniture and equipment shall be dusted and cleaned every other school day. Rugs and carpets shall be cleaned every other school day.

(c) Special Rooms

Special purpose rooms, such as kindergartens, homemaking and rooms for handicapped children, shall be cleaned in the same manner as classrooms except that floors shall be mopped or scrubbed once every other week and the furniture washed once every other month or as necessary.

(d) Shops and Laboratories

Shops shall be cleaned every other school day. This cleaning shall consist of cleaning floors. Other cleaning operations shall be the same as for classrooms. Waste receptacles and trade waste receptacles will be emptied daily.

(e) Toilets

Toilet floors shall be mopped at least once a day, scrubbed once a week and mopped when necessary to keep them dry and clean. Urinals, bowls, toilet seats and flushometer handles shall be washed and thoroughly cleaned each day after school sessions. Pencil marks, fingerprints, etc., on walls and partitions shall be cleaned off at frequent intervals. Obscene pictures or writing shall be removed as soon as discovered. Toilet paper holders shall be kept supplied with toilet paper.

(f) Shower Rooms

Floors shall be mopped clean at least once a day and scrubbed once a week. Walls of room and stalls shall be washed down daily. Door hardware and shower bath handles shall be washed daily. The entire room including upper walls, and lighting fixtures shall be washed three times a year during Christmas, Easter and Summer vacation.

REDUCTION IN SERVICE, Continued

(g) Locker Rooms shall be thoroughly cleaned every other school day.

(h) Vestibules
Vestibules shall be swept or mopped daily and scrubbed every other week. In rainy or snowy weather or any time when dirt is being tracked into the building vestibules shall be mopped as necessary to keep them dry and clean. Perforated mats shall be used in the vestibule provided they do not create a tripping hazard.

(i) Corridors
Corridors shall be swept every other school day. In rainy or snowy weather or at other times when dirt is being tracked into the building they should be cleaned frequently. Rubber runners may be used on the ground floor corridors.

Corridor floors of cement, terrazzo, marble, etc., shall be mopped as required. Floors covered with linoleum, rubber tile, cork tile, or asphalt tile shall be dry mopped every other school day and washed and waxed as necessary.

Corridor walls shall be cleaned once every other week by dusting. Marks, pictures, etc., shall be washed off when discovered. Light shades and globes shall be cleaned once a year. Doors, door knobs and handrails shall be washed once a month.

(j) Stair Halls
Stairways and stair halls shall be swept once every other school day. They shall be cleaned and washed at frequent intervals. Lamps and light fixtures shall be kept dusted and cleaned by washing once a year.

(k) Auditorium and Gymnasium
The auditorium and gymnasium shall be cleaned every other school day. Special equipment, such as footlights, curtains, etc., shall be kept clean. Generally cleaning operations shall be the same as classrooms.

(l) Swimming Pools
The Custodian shall keep the water in the pool clean and clear. At all times when pool is in use, it should be clear enough that a six inch black disc on a white background is clearly visible on the bottom at the deepest point, at a distance of ten yards. The surface shall be kept clear of scum and floating matter. Visible dirt, etc., on bottom and walls of pool shall be removed daily with suction cleaner, or by other approved methods.

The floor of the natatorium, springboards, platforms, etc., shall be dry mopped after the morning session, and mopped once each day and scrubbed once a week. The tile work of walls shall be washed hand high, once each school day. The entire room and equipment, including side walls, lighting fixtures, etc., shall be washed three times a year during the Christmas, Easter and summer vacations.

N.B. (See also under item 5.6.7 in these Rules and Regulations for chlorination of water, cleaning of filters, etc.).

(m) Cafeteria
The Cafeteria shall be cleaned each day after use in the same manner as classrooms. The Custodian will be responsible for placing chairs or benches on the tables to facilitate his sweeping. The Custodian will also spot mop spillages during the daily lunch periods. Once each week the entire floor area of the cafeteria/lunchroom will be scrubbed. Cleaning during vacation periods will be the same as for classrooms.

The Custodian shall remove and promptly incinerate or otherwise dispose of garbage and refuse. Storage of garbage within the school overnight is to be avoided, if possible. Containers are to be returned to the areas from which they were removed.

(n) Lunchrooms, Other Food Eating Areas and Kitchens
Same as for cafeterias preceding except Custodians shall only thoroughly clean kitchens during the summer vacation period.

(o) Playrooms
Playrooms shall be swept immediately after the lunch period. Otherwise same as for classrooms.

For your information, to determine the impact this reduction in service will have on your annual compensation, approximate floor area rates to be effective August 6, 1976 are listed. It will be necessary to interpolate for floor areas between those listed. Approximate rates are being furnished so that you may plan ahead. As soon as the final rates have been determined they will be furnished to you. To get your approximate gross compensation use the IBM card mailed you for the April 12, 1976 change in schedule and apply the new floor area rates.

FLOOR AREA	RATE
1	$ 14,482
10	17,646
20	21,159
40	28,177
60	40,749
80	49,981
100	57,563
120	65,078
140	72,495
160	82,058
180	95,187
200	102,535
220	110,003
240	117,437
260	130,596
280	139,400
300	151,583
320	161,494
340	168,400
360	175,471
380	182,508
400	189,589
420	200,120
440	208,819
460	217,995
480	225,937
500	235,830
594	277,883

HUGH McLAREN JR.
Executive Director
Division of School Buildings

[illegible]

APPENDIX: 6

JOB DESCRIPTION FOR SCHOOL CUSTODIAN AND SCHOOL CUSTODIAN ENGINEER

APPENDIX: 6

JOB DESCRIPTION FOR SCHOOL CUSTODIAN
AND SCHOOL CUSTODIAN ENGINEER

As a civil service employee of the Board of Education the custodian must qualify for either of the following civil service titles:

- School Custodian - in a building with low pressure boilers.
- School Custodian Engineer - in a building with high pressure boilers.

These civil service titles are unique to the Board of Education and are "ungraded," that is, there are no salary ranges established for the titles. The job descriptions provided in this appendix were obtained from the Division of Personnel of the Board of Education; the descriptions were retyped for visual clarity.

SCHOOL CUSTODIAN

General Statement of Duties and Responsibilities

Under general supervision, supervises and is responsible for the physical operation, maintenance, repair, and custodial upkeep and care of a public school building and its immediate grounds; performs related work.

Example of Typical Tasks

Supervises, plans and is responsible for the work of the custodial and maintenance staff.

Heats building by means of low pressure boilers.

Makes minor repairs to steam plant, heating equipment, electrical equipment, plumbing, structure, glazing and furniture.

Supervises cleaning of the building and grounds.

Is responsible for maintaining the building and grounds in a safe, secure and sanitary condition.

Conducts inspection of building to determine needed repairs.

Consults with and advises officials on problems of operation, maintenance and repairs.

Sets up the work schedules to insure maximum efficiency and minimum interference with classroom activities.

Requisitions and accounts for custodial and maintenance materials, tools and supplies.

Maintains records and prepares required reports of plant operations.

Hires appropriate personnel; trains or arranges for their training.

For hired personnel, prepares payrolls and personnel forms, pays wages, and provides Workmen's Compensation Insurance.

Qualification Requirements

1. Three (3) years satisfactory practical experience in cleaning, operating and maintaining building structures and grounds, and their related mechanical and electrical equipment, one (1) year of which must have been in responsible charge of a building comparable to school buildings supervised by Custodians in the Department of Education; or

2. A satisfactory equivalent.

Direct Lines of Promotion

From: None

To: School Custodian Engineer (91620)
(Incumbents to be eligible must
have a valid Stationary Engineer's
License issued by the City of New
York)

8.12.68

SCHOOL CUSTODIAN ENGINEER

General Statement of Duties and Responsibilities

Under general supervision, supervises and is responsible for the physical operation, maintenance, repair, and custodial upkeep and care of a public school building and its immediate grounds; performs related work.

Examples of Typical Tasks

Supervises, plans and is responsible for the work of the custodial and maintenance staff.

Operates and is responsible for all electrical and mechanical equipment and systems including air conditioning, heating, ventilation, refrigeration, water supply and sewage systems, electric elevators and elevator equipment, automatic signal systems, electrical generating plants, filtration plants, and cleaning equipment.

Makes minor repairs.

Supervises cleaning of the building and grounds.

Is responsible for maintaining the building and grounds in a safe, secure and sanitary condition.

Conducts inspection of building to determine needed repairs.

Consults with and advises officials on problems of operation, maintenance and repairs.

Sets up the work schedules to insure maximum efficiency and minimum interference with classroom activities.

Requisitions and accounts for custodial and maintenance materials, tools and supplies.

Maintains records and prepares required reports of plant operations.

Hires appropriate personnel; trains or arranges for their training.

For hired personnel, prepares payrolls and personnel forms, pays wages, and provides Workmen's Compensation Insurance.

Qualification Requirements

Possession of a valid High Pressure Boiler Operating Engineer license issued by the New York City Department of Building plus either:

1. Five years of full-time paid experience in the supervision of cleaning, operating, heating and maintaining building structures and grounds, and their related mechanical and electrical equipment; or

SCHOOL CUSTODIAN ENGINEER (Continued)

Qualification Requirements (Continued)

2. A satisfactory equivalent.

Direct Lines of Promotion

From:	School Custodian (80406)	To:	District Supervisor of School Custodians (80436)

APPENDIX: 7

AVERAGE CUSTODIAN COMPENSATION
INCLUDING FRINGE BENEFITS 1970 - 1975

CUSTODIAN FRINGE BENEFITS AS A
PERCENT OF AVERAGE ANNUAL EARNINGS 1970 - 1975

APPENDIX: 7

AVERAGE CUSTODIAN COMPENSATION INCLUDING FRINGE BENEFITS 1970 - 1975

CUSTODIAN FRINGE BENEFITS AS A PERCENT OF AVERAGE ANNUAL EARNINGS 1970 - 1975

The costs of custodial fringe benefits to the Board of Education and the trend of these costs from 1970 - 1975 are shown in the enclosed tables; brief summary statements on the key points extracted from these tables are also included. Both the tables and summary statements were extracted from an unpublished report prepared by the Office of Labor Relations and Collective Bargaining in April, 1976.

AVERAGE CUSTODIAN COMPENSATION INCLUDING FRINGE BENEFITS
1970 TO 1975

	TOTAL COMPENSATION	EARNINGS (less excess)	TOTAL FRINGE BENEFITS	PENSION	SOCIAL SECURITY	UNION WELFARE	MEDICAL
1975	$ 30,054	$ 24,511	$ 5,543	$ 3,933	$ 814	$ 340	$ 456
1974	27,111	23,530	3,581	2,208	686	237	450
1973	25,908	22,273	3,635	2,209	702	281	443
1972	21,745	18,775	2,960	1,891	524	135	410
1971	21,547	18,657	2,890	1,848	530	130	382
1970	20,977	18,676	2,301	1,382	478	126	315
% Increase							
1970-1975	43.3	31.2	140.9	185.0	70.3	169.8	44.8

- Total custodian compensation averaged $30,054 in 1975. Of this total, $24,511 represented earnings and $5,543 were payments made for fringe benefits
- Total compensation increased 43.3% during 1970-1975, averaging 7.5% over the year
- Over the past 6 years, fringe benefit payments outpaced the rise in earnings by 4.5 times, increasing 140.9% as against the comparable rise of 31.2% in net income.

CUSTODIAN FRINGE BENEFITS AS A PERCENT OF AVERAGE ANNUAL EARNINGS 1970 TO 1975

	PERCENT OF EARNINGS				
	TOTAL FRINGE BENEFITS	PENSION	SOCIAL SECURITY	UNION WELFARE	MEDICAL
1975	22.6	16.0	3.3	1.4	1.9
1974	15.2	9.4	2.9	1.0	1.9
1973	16.3	9.8	3.2	1.3	2.0
1972	15.8	10.1	2.8	0.7	2.2
1971	15.4	9.9	2.8	0.7	2.0
1970	12.4	7.4	2.6	0.7	1.7

- Payments for fringe benefits as a percentage of and in addition to, average earnings have been trending upwards from 1970 to 1975. In 1970, fringe benefits accounted for only 12.4% of earnings, climbing to 22.6% by 1975

- In addition to earnings, contributions for pensions alone in 1975 represented 16.0% of income.

APPENDIX: 8

RATING OF CUSTODIAL SERVICES

The memoranda presented in this section construct the history of the Custodial Rating System. In keeping with the concept of decentralization an attempt was made by the Board of Education to have the Community Superintendents or High School Borough Superintendents rate the custodians in consultation with the Principals and the District Supervisors of Custodians. The three letters included in this appendix discuss some of the early problems the Board of Education had with implementation of the rating system; the rating system never came about because of a court action by Local 891 in September, 1975. At present, transfers of custodians to other school assignments are based on ratings received from the District Supervisors of Custodians; ratings by the users of custodial services are not specifically taken into account.

A copy of Chapter IV of the Manual for District Supervisor of Custodians is included. What is particularly interesting is Item 4.1.1 which states the purposes and significance of evaluating these services.

BOARD OF EDUCATION OF THE CITY OF NEW YORK
DIVISION OF SCHOOL BUILDINGS
OFFICE OF PLANT OPERATION AND MAINTENANCE
BUREAU OF PLANT OPERATION

September 4, 1974

TO: Mr. Hugh McLaren, Jr.

FROM: Mr. Raymond G. Hudson

SUBJECT: Custodial Rating Reports

I have not received all the Custodial Rating Reports for the third period of 1973-74 but I have been going over the reports from one district. If these are a sample of what the others are like our transfer plan which has been a model of honesty and fairness and which has been the spur to maintain a high quality of service is in serious trouble.

There was no consultation on the ratings. The principals assigned the ratings and the Superintendent signed them. The few extremely low ratings hurt only the individual they are assigned to but the very high ones hurt everybody in the system. A high rating gives one man an edge over everyone else. As an example of the way the ratings went in this district I am listing some of the ones that are out of line:

School	Supervisors Rating	Superintendents Rating
92	75	95
46	85.5	100
161	86	81
43	82	59.8
123	84	78
129	81	85
133	75	85
154	82	95
156	85.5	80
201	86.5	98.5

Only 14 ratings were received for 25 schools.

I would like to use the Supervisors ratings for transfer until the "bugs" are worked out of the Superintendents.

Raymond G. Hudson

RAYMOND G. HUDSON
Director
Bureau of Plant Operation

RGH/rf
cc: Mr. Martin
Mr. Austin
File

BOARD OF EDUCATION OF THE CITY OF NEW YORK
DIVISION OF SCHOOL BUILDINGS
28-11 BRIDGE PLAZA NORTH
LONG ISLAND CITY, N. Y. 11101
TELEPHONE: 361-7711

HUGH McLAREN, JR.
EXECUTIVE DIRECTOR

SEP 13 PM 3:35

September 12, 1974

TO: Dr. Bernard R. Gifford, Deputy Chancellor

FROM: Hugh McLaren, Jr.

SUBJECT: Custodial Rating Reports

Attached is a memorandum to me from Mr. Hudson which I feel is self explanatory.

Exactly what we feared has happened. Years ago the numerical marking by the principals was given up, due to the fact that it was almost impossible to take any action against the custodian, due to the high ratings given by the principals. Therefore, we reverted to the satisfactory or unsatisfactory report. It was intended that the superintendents should rate the custodians, but it would be done in consultation with the custodial supervisors. It would appear that this has not been done.

Therefore, I would like approval to use the supervisors ratings until such time as the superintendents ratings can be brought in line. I know that in some districts the superintendents have worked with the supervisors. These irresponsible high marks given by other superintendents will hurt everyone with a fairly high mark who was marked objectively.

HUGH McLAREN, JR.
Executive Director

HMcL/cs
Attached:

cc: Mr. Hudson

BOARD OF EDUCATION
OF THE CITY OF NEW YORK
110 LIVINGSTON STREET
BROOKLYN, N.Y. 11201

BERNARD R. GIFFORD
DEPUTY CHANCELLOR

September 20, 1974

MEMORANDUM

TO: Mr. Irving Anker
Chancellor

FROM: Bernard R. Gifford
Deputy Chancellor

RE: Custodial Rating Reports

- - - - - -

Mr. McLaren has indicated dissatisfaction with the current practice concerning ratings of custodians. He feels that in many instances community superintendents are not rating custodians in consultation with custodial supervisors and that this will materially affect the custodial rating plan.

He has requested permission to use his supervisors' ratings for transfer purposes until there is greater uniformity among the superintendents. Before approval is granted, I feel the matter should be discussed at the October meeting of all superintendents.

BRG:md

bcc: Mr. H. McLaren

BOARD OF EDUCATION OF THE CITY OF NEW YORK
DIVISION OF SCHOOL BUILDINGS
OFFICE OF PLANT OPERATION AND MAINTENANCE
BUREAU OF PLANT OPERATION
28-11 BRIDGE PLAZA NORTH - LONG ISLAND CITY, NEW YORK 11101

December 30, 1974

TO: Community Superintendents and High School Borough Superintendents

FROM: Mr. Hugh McLaren Jr.

SUBJECT: Special Circular #73 - 1973/74 Item 4
Rating of Custodial Services

The Chancellor's Special Circular #73 - 1973/74 Item 4 states:

> "The Custodial Service Rating Form (PO #20) is to be completed by the Community Superintendent or High School Borough Superintendent, in consultation with the Principal and the District Supervisor of Custodians."

So that this directive may be implemented properly, the Chancellor has directed me to issue an explanation of the use of the Custodial Service Rating and the factors that must be considered in assigning ratings.

The Custodial Service Rating has two (2) main purposes. One is to determine that the Board is receiving the service it is paying for and the other is to evaluate the Custodian for transfer. There are other uses such as indicating to the Custodian the areas in which he must improve his service. This is done by notations on the reverse of the rating form.

Each rating period begins immediately after one of the major cleaning periods; Christmas, Easter and summer vacation and extends to the beginning of the next period. In actual practice the period covered is from the last rating assigned to the date of the current rating. This is necessary because it takes from a half day in a small building to more than a day in a large building to inspect and check out the conditions of custodial service.

It is the custodian's efforts and management expertise that is being rated. Therefore, there are numerous variables that must be considered. I am attaching a copy of Chapter IV of the Manual for District Supervisor of School Custodians which explains the variables and the basis for assigning ratings. It is most important that all ratings be assigned on the same basis.

The Chancellor has directed that the ratings be done in consultation with the District Supervisor and Principals. I am certain that you do not have the time to check out each building from cellar to roof with the Custodian and so may I suggest that towards the end of each rating period you sit down with the District Supervisor and go over his evaluation of the Custodian's service and at the same time compare this with the Principal's rating for the period made on PO Form #10.

If the Custodian protests the rating assigned by you the protest will be made to the Borough Supervisor of Custodians as provided for in the Transfer Plan. He will confer with you in an attempt to reconcile the protest. If no agreement is reached the protest will be directed to the Director of Plant Operation. The Director may refer the appeal to the Appeals Committee established by the Transfer Plan. In any event the decision of the Director is final. It might be pointed out, however, that the Director's decisions have been taken into court on occasion and reversed by judicial action.

HUGH McLAREN JR.
Executive Director
Division of School Buildings

HM:NS
Enclosure: Chapter IV
cc: Mr. Anker
Dr. Gifford
Mr. Hudson
File

CHAPTER IV

4.0 Rating Custodians for Transfers

4.1.0 Custodial Service Ratings

4.1.1 Purpose and Significance of Evaluating Service

In any business, management must evaluate the quantity and quality of each employee's performance. An evaluation that shows performance is poor indicates a need for further training and more intense supervision. When further evaluations report continued poor performance they provide a justifiable basis for Business Managers to discharge employees, since they either do not care or are not adaptable to the type of employment. Good ratings indicate the employees who should be considered for promotion. Custodial service ratings serve the same purpose as industry's performance ratings. Although school plant operation is not a profit making business, it is big business costing over $32,000,000 annually. Poor performance by custodial employees results in criticism from pedagogs and the public, increased costs, untidy schools, etc.

4.1.2 Ratings and the Transfer Plan

In order that service ratings may be employed to advance employees who are doing creditable jobs over the employees doing barely passable jobs the "Transfer Plan" was devised. The Plan has proven advantageous to both the custodians and the Board since it has advanced the competent and willing workers. It has had some disadvantages, however, in that it has caused some supervisors and some custodians to forget that performance evaluation is the main reason for service ratings, not custodial transfers. In some cases supervisors have been reluctant to downgrade poor performance because of its effect on transfers and in other cases custodians have managed their buildings largely with transfers in mind. Such custodians produce excellent jobs if they intend to move, contrasted to a mediocre ones if they intend to remain in the same buildings for a lengthy period.

4.1.3 Variables to be Considered in Ratings

It is simple to evaluate the performance of two men working side by side on a production line. This is merely a matter of the number of units produced in a given time by each man compared to the number of rejects for each and then compared to the norm for all such workers. To evaluate custodial service fairly is a much more difficult undertaking because of the numerous variables. Supervisors must learn to take all these into account and make proper adjustments for them. Some of the variables are listed:

(a) Neighborhood - industrial, good residential, poor residential, suburban.
(b) Age and type of building
(c) Need for major repairs.

(d) Time elapsed since last complete painting.
(e) Availble equipment for cleaning and making repairs.
(f) Vandalism - how much time must be spent correcting damage.
(g) Discipline maintained by teaching staff.
(h) Time of day and year inspections are made.
(i) Efficiency, age and condition of heating plant and other mechanical equipment.
(j) Floor finishes.
(k) Landscaping.

4.1.4 Variables for which Compensation is Adjusted

There are other variables but most of these are adjusted by the custodial compensation schedule to provide or delete labor as necessary. Some of these variables that are adjusted for by the compensation schedules are:

(a) School organization - K-6, JHS, SHS.
(b) Type fuel - coal, oil, steam.
(c) Size building.
(d) Size Paved Area.
(e) Extra Activities.

4.1.5 Uniform, Superior Service Throughout Year

The Board of Education expects the same high level of custodial service throughout the year. Service should not show a peak after a cleaning period and then a gradual slump until the next cleaning period. Too often supervisors are influenced by conditions as they find them on the days the ratings are assigned rather than on the overall conditions they have observed since the previous ratings. Notes should be kept of every visit to schools. The notes need not be voluminous but should give the reason for the visits and any unsatisfactory conditions found.

4.1.6 Rating Terms and Groupings

In assigning marks for the individual items on the rating sheet the supervisors must keep in mind the variables and assign marks in multiples of five. The rating sheets are broken into the following groups:

(a) Outstanding 95/100 - an item is outstanding only when the custodian has gone beyond all the requirements of the Rules and other directives and has complied with them in a superior manner both as to quantity and quality.

(b) Excellent 85/90 - a mark in this group should only be assigned when all the requirements have been met by performance of high quality.

(c) Satisfactory 75/80 - a mark in this group should indicate that all requirements have been met but that work is not of top notch quality.

(d) Fair 65/70 - a mark in this group should indicate that performance is barely satisfactory - that corners have been cut - that requirements are not fully met.

(e) Poor 55/60 - These two groups should
(f) Unsatisfactory under 55 - need no explanation - they will be self evident.

4.1.7 Realistic Ratings with Adequate Spread
Supervisors must have the courage to assign service ratings in a realistic manner. Although the average performance is 80 to 85 the tendency is to assign 70 for items of performance that are actually unsatisfactory. At present there is not sufficient spread in service ratings between the poorest custodians and the best although the differences are widespread.

4.1.8 Procedures on Protested Ratings
If assigned ratings are protested by custodians do not enter into arguments with them. Point out that their signature on the rating sheets only indicates that they have seen the ratings, not that they approve them. If a custodian wishes he may appeal first to the Borough Supervisor, then to the Chief of Custodians and then to the Director of Plant Operation. In each instance the appeal should be submitted promptly in writing by the custodian. The appeal should detail in just what area of the service rating is being protested. General protests cannot be entertained or reviewed. District Supervisors should notify the Borough Supervisors immediately by phone whenever one of their ratings are protested.

4.2.0 Evaluating Custodial Service
In making evaluations of custodial service some of the points to consider are:

4.2.1 Evaluating Service in Classrooms and Offices
For classrooms, shops and offices in a large building it is not necessary to visit every room; a few rooms in each cleaning station will give an indication of the entire station. Although daily cleaning is mandatory, the method of cleaning and the manner in which the method is applied will cause wide variances in results. Wardrobes, window sills and chalk troughs are often neglected items. Window shades, furniture, and lighting fixtures should be clean and in good repair. The heating and ventilation of rooms visited should be checked. An overheated or stuffy room is as bad as a cold room.

4.2.2 Evaluating Service in Corridors, Gyms, etcetera
Corridors, stairs, gyms, auditoriums and similar areas receive more traffic than classrooms and so require more service. In addition to daily sweeping and dusting these areas should indicate that the custodians have programs

for removing marks from walls, doors, etc., as well as for policing of the areas throughout the day. Because of the traffic in these areas safety is an important factor. It is in these congested areas with much movement of students that most accidents occur.

4.2.3 Evaluating Service in Toilet Rooms and Sanitary Facilities

Supervisors must check toilet rooms and other sanitary facilities because of potential health hazards as well as for neatness. Toilet rooms are subject to more abuse by both students and adults than any other areas in the buildings. Custodial schedules should call for frequent policing as well as daily or more frequent cleaning of floors and fixtures. If toilet rooms are properly cleaned and ventilated there should be no need for odoriferous disinfectants to cover up noxious smells. Supervisors should not permit sanitary facilities to be locked shut as an excuse to reduce vandalism. Neither parents nor Health Inspectors will accept this explanation. If discipline is poor in these rooms the supervisor may have to take up the need for better discipline with the principal or assistant superintendent of schools.

4.2.4 Evaluating Service on Interior and Exterior Glass

The Rules require both interior and exterior glassware to be washed three times a year except for certain areas such as in offices where glass is washed more often. Where violations have been placed on the windows supervisors must ascertain which windows they apply to. Such windows may be washed on the inside and attempts should be made to wash the outsides in a legal manner. Glass replacement must be kept current. Where custodians cannot replace the glass they must back up broken panes neatly after removing loose glass.

4.2.5 Evaluating Service in Basements and Boiler Rooms

Cleaning of boiler rooms and basement service areas tends to range from one extreme to the other. Many hours which might better be spent in cleaning classrooms and other student areas are wasted in painting boiler room floors in fancy colors and designs. Boiler rooms should be neat and clean but unless the rest of the buildings are outstanding the custodians should be advised not to waste time in unnecessary painting. In other schools where the principals or custodians are "Squirrels," basement service areas at times become veritable junkyards with material for which there is very little probability of future use. Supervisors must see that excess material or trash is disposed of promptly.

4.2.6 Evaluating Service on Exterior Walls, Paved and Lawn Areas

The majority of taxpayers and local residents never see the inside of our schools but they do see the sidewalks, playgrounds and landscaped areas. You are cautioned that there is a tendency to give very little service to outside areas if the supervisors permit it. The policing of sidewalks, yards, lawns, etc. is a daily task and some areas must be cleaned more frequently. Supervisors should check not only the areas adjacent to the main entrances but also those at the rear of the buildings and at the rear of the yards. Laxity is particularly evident in the fall and winter when leaves and snow add to the litter. Schools are often defaced with chalk or paint. Supervisors should not permit this to build up to an unsightly mess. Chalk can be hosed, small amounts of paint can be removed and large painted areas can be covered with cement paint tinted to match the masonry. Lawns, flower beds and hedges become unsightly in short order unless supervisors insist on the care required by the Rules.

4.2.7 Evaluating Heating and Fuel Management

The supervisors must keep in mind and must impress on custodians that fuel and utility conservation does not mean how little they can use, but how little they can use consistent with comfort and safety. Electricity at \$5,000,000/year and fuel at \$3,000,000/year are two of the biggest items in the operating budgets and carelessness in their use can cause a large increase in costs. The supervisors should try to visit each of their schools at the start of the day session at least once each heating season to see that the school is properly heated. In schools where there have been complaints frequent visits may be necessary to ascertain conditions. Where single rooms are concerned recording thermometers may be installed. Proper heating depends on good boilers. Reliability of the plant is another important factor. Each fall when cold weather is imminent a number of emergency conditions are reported by custodians which might prevent operation. Supervisors must become aware of such conditions and have them corrected before breakdowns develop.

4.2.8 Evaluating Use of Electricity

Evaluating the custodians' efforts in conserving electricity is a little more difficult than evaluating fuel conservation. Each custodian should be aware that the supervisor is interested in his efforts. Custodians should be working in cooperation with the principals to prevent needless waste of electricity. They should train their employees to turn off lights and equipment not actually needed, and they should also see that fixtures are lamped with bulbs of the design wattage, not with oversized lamps.

4.2.9 Evaluating Ventilation and Care of Equipment

In evaluating custodial service as it applies to ventilation the supervisor must not only consider the care of ventilating equipment but also its operation. The operation of ventilation equipment is important to comfort, health and safety. The operation of this equipment is of sufficient importance that the Building Department demands a Certificate of Operation be filed for each new building.

The Fire Department insists that all ventilation equipment be kept in operation during occupancy or that duct work must be sealed. The supervisors must train custodians in the proper operation of ventilation equipment and insist on its use. Checking on the lubrication and care of this equipment is often a problem for the supervisors since most of it is located in out of the way areas or it even may be completely hidden. Supervisors should make a point of going over the ventilating systems whenever custodians are assigned to or transferred to buildings in their districts. There are known cases of ventilation facilities that were not operated for years because new custodians had not located them. Supervisors should take notice of the ventilation in all areas they pass through. If properly vented neither odors nor humidity should build up so as to be objectionable.

4.2.10 Evaluating Attention to Fire Prevention and Safety

These two items are probably the most important and yet the most onerous for supervisors to evaluate. Since safe ways are not always the easiest ways supervisors must always be alert that safety is not circumvented. A thorough knowledge of the "Rules," the Board of Education Safety Manual, Fire Department check lists and the State Industrial Code, along with common sense will help supervisors recognize violations or potential hazards. Supervisors are more apt to notice potential hazards than the custodians because they have not become used to seeing them every day, nor have they created the conditions.

4.2.11 Evaluating Building Management and Schedules

If the quality and quantity of service rendered on the preceding items is poor it is axiomatic that the custodians are poor managers or have not trained their employees properly. In checking their management one of the first items supervisors should review is the custodians' work schedules for themselves and their employees. The schedules should cover all the routine requirements of the Rules and also leave some time for emergency or non-routine items. The work should be scheduled for times when it will not interfere with the school programs. Work should be divided up so that each person has sufficient time to cover the area or task assigned. Too often individual work schedules cover most of the day with the phrase "Work as assigned." This leaves too much to the custodians' memory. Unrealistic schedules where too much work is assigned any one person are as bad as no schedules.

4.2.12 Evaluating Employee Training

This should cover all phases of custodial work but the two most important are: proper methods for routine work and actions to be taken in emergency situations. Improper methods and procedures are not only costly to the custodians because they usually take more time, but can be very expensive to the Board of Education since the wrong methods can injure equipment and waste materials. Custodial employees should be watched closely in connection with supplies. The allotment for supplies although limited will carry schools throughout the year if supplies are properly requisitioned and their use is controlled. Supervisors must always be alert to prevent some custodians from gaining unfair advantages over others by requesting emergency supplies.

4.2.13 Evaluating Performance of Minor Repairs

(a) "Minor Repairs" have been the cause of much discussion, criticism and argument. If supervisors refer to the Rules they will have very little difficulty in determining what is required of custodians. The references to minor repairs in the Rules have been extracted and are available in each Borough Office as well as in the Appendix of this manual. There is a tendency to excuse non-performance of minor repairs in the smaller schools because crews are small. But it must be remembered that although personnel are limited they should be ample in relation to the building sizes, equipment, and custodial allowances.

(b) Supervisors must be as alert to prevent custodians from carrying repairs to excess, as well as to insist on their performing the repairs required by the Rules. This particularly applies to painting. Some custodians would rather paint over dirt than wash it off. Painting can be carried to excess where it creates fire hazards, problems with specifications, criticism from unions, etc. A few custodians have undertaken repairs that were beyond the scope of the Rules. This usually results in some other phase of custodial service being neglected.

4.2.14 Evaluating Administrative Ability

(a) Poor or careless administration by custodians can impede the work of the entire Bureau. For this reason supervisors must evaluate the custodians' administrative abilities very carefully and must take immediate action to correct any deficiencies. Reports submitted after the due dates can hold up payrolls or comprehensive reports requested by the Superintendent of Schools. Inaccurate reports from custodians have cost both the Board and the custodians money and the supervisors a lot of needless work. Some custodians claim they are not clerks and should not have to bother with paper work. Supervisors must not accept excuses such as this for sloppy paper work. Custodians are managing individual businesses with gross allowances of many thousands of dollars yearly. They are responsible for the complete management of the custodial operations of their schools and this includes all necessary paper work. If custodians cannot handle the paper work personally they should employ clerks. Supervisors must see that the custodians' records and files are maintained accurately and currently.

4.2.14 Evaluating Reports and Records

(b) All reports and records required from custodians have definite purpose and importance. Of all the reports submitted, the compensation reports are probably the most important and those which the supervisors must review most closely. In assessing the custodians' administrative ability supervisors must keep in mind the accuracy and the promptness with which reports are submitted. They must also keep in mind whether custodians have read and complied with the instructions contained in circulars. They must see that the custodians' own office procedures are up to Bureau Standards.

END OF MANUAL

APPENDIX: 9

NEW YORK STATE COMPTROLLER'S TENTATIVE DRAFT AUDIT REPORT, BUREAU OF PLANT OPERATION CONTRACTED CUSTODIAL SERVICES (NO. N.Y.C.-4-77)

APPENDIX: 9

NEW YORK STATE COMPTROLLER'S TENTATIVE
DRAFT AUDIT REPORT, BUREAU OF PLANT
OPERATION CONTRACTED CUSTODIAL SERVICES
(NO. N.Y.C.-4-77)

CUSTODIAL SERVICE AT A CERTAIN HIGH
SCHOOL (NO. N.Y.C.-4-77)

The enclosed New York State Comptroller's tentative draft audit report issued on June 29, 1976 indicates that the expansion of our "custodial contract system" could result in significant savings to the Board of Education. The Board of Education's response to this report was prepared by Mr. Hugh McLaren, Jr., Executive Director, Division of School Buildings and follows the audit report. The enclosed New York State Comptroller's audit report issued January 28, 1977 investigated principally payroll and time-keeping irregularities for custodial helpers of a custodian in a certain high school.

BOARD OF EDUCATION
OF THE CITY OF NEW YORK
110 LIVINGSTON STREET
BROOKLYN, N.Y. 11201

BERNARD R. GIFFORD
DEPUTY CHANCELLOR

August 13, 1976

MEMORANDUM

TO: Mr. Hugh McLaren, Executive Director
Division of School Buildings (DSB)

FROM: Dr. Bernard R. Gifford BRG
Deputy Chancellor

SUBJECT: New York State (NYS) Comptroller's Tentative Draft Audit Report
Bureau of Plant Operations Contracted Custodial Services
(No. NYC -4-77) (Dated 6/29/76)

* *

The above captioned NYS Comptroller's draft audit report (copy attached) has indicated that the expansion of our "custodial contract system" could result in significant savings to the Board of Education (BOE).

Accordingly, the DSB should immediately conduct an independent study of a randomly selected representative group of schools to determine the cost effectiveness of custodial services to be provided by private firms under contract vs. the BOE's "indirect system."

Please comment on the above and submit a progress report detailing your planned action with a copy to the Office of Auditor-General by August 25, 1976.

BRG:lv
cc: I. Anker
M. Elin
J. Clark ✓
S. Halberstam

Contracted Custodial Services

Custodial services provided by private firms under contract with the Board were significantly less costly than equivalent services provided under BE's "indirect system."

BE annually allocated funds for day school services to each custodian by formula (based on size and type* of school plant) under an "indirect system." This system allowed the custodian to retain unexpended funds up to a maximum (salary) amount as an incentive for economical, efficient service. For extra activities, such as evening and summer programs the custodian received additional monies. A stated proportion of these extra sums was also retained by the custodian as additional salary. The maximum combined amount thus available as salary could not exceed $31,000 per year. Unexpended funds which exceeded the maximum salary retainages at the end of the calendar year were to be returned to BE. The BE did not make any additional funds available for day school services over those initially allocated. Deficits were to be absorbed by the custodian as deductions from the allowed retainage. In calendar 1975, $94.7 million was allocated for day school services and $11.3 million paid for extra activities. Unexpended funds due to be returned to BE totaled $2.4 million.

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*Elementary, Intermediate, Junior and Senior H.S.

The BE also obtained custodial services from private contractors. These firms were engaged through public competitive bidding. The Director of the Bureau of Plant Operations (BPO) told us that these contracts were first let in 1964 for services at ten sites. At one time 14 sites were receiving custodial services through contract, but this diminished in calendar 1975 to only six.* The Director told us that contracts were dropped at the request of the Community School Districts due to poor service and because schools were closed. However, he also stated that the companies currently under contract were the same as those that had previously had the dropped schools.

Principals at four of the five contract schools all said that their custodial services were very good. The fifth principal remarked that in his 20 years with the BE he had experienced good and bad custodial services by employees of independent contractors and by employees of the BE.

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*Five schools and one administrative office

A comparison of actual costs of custodial services at the school sites under contract in calendar 1975 with those which we estimated (through the allocation formula calculation) would have been expended under the indirect system, disclosed that contracting offered substantial savings. Under the "indirect system" services at the five schools would have cost about $554,500 (see Table I). (Extra activity costs were included in the contract total but were not in the "indirect system" cost. Had the extra costs been included in the latter, the difference between the two systems would have been even greater.) The BE custodians' indirect system contract provided service from 8 a.m. to 5 p.m. daily but activities on Saturdays, Sundays, holidays, after 5 p.m., between 3 p.m. and 5 p.m.,* breakfast programs, and summer use all required extra activity allotments. In addition, the charges for extra activities were based on specific rates for individual rooms and thus made available only the space requested rather than the entire plant. The private contracts on the other hand included the charges for the above services in the lump sum contract price. These contracts also provided the entire school plant for extra activities and did not charge on a per room basis as the BE custodians did.

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*Additional charge levied because clean up staff could not work between three o'clock and five when school was usually over.

Accordingly, larger or multiple concurrent program activities would be accommodated at no extra charge at the contract schools in contrast with the extra unit charges at the other schools.

The Director of BPO advised us that he had estimated the contract custodial service costs to be about 15 percent less than those under the indirect system. He could offer no reasonable explanation for not expanding the use of contractors.

Had BE placed all schools on contract in calendar 1975, we estimate that a savings of $27.5 million, 26.6 percent of current cost, could have been effected with no material reduction in service (see Table I for computation).

Recommendation:

BE should promptly expand its program of contracting for custodial services, through public competitive bidding, at all City schools.

Table I

Computation of Savings Through Contract Custodial Service - Calendar 1975

School	Indirect Formula Allocation	Indirect Plus Fringes at 23%	Contract Payments	Estimated Savings
PS 57 Manhattan	$ 74,729	$ 91,917	$ 77,229	$14,688
IS 70 Manhattan	110,214	135,562	113,054	22,508
PS 83 Manhattan	72,276	88,899	77,272	11,627
PS 96 Manhattan	77,348	95,138	77,345	17,793
IS 61 Queens	116,242	142,978	111,804	31,174
	$450,809	$554,494	$456,704	$97,790

Savings Factor = $97,790/$554,494 = .176

Total 1975 Day Revenue for Custodians	$94,762,600
Less:	
Excess Earnings to be Returned to BE	2,434,832
	92,327,768
Savings Factor	x .176
	$16,249,687
Add:	
Total 1975 Extra Activity Income*	11,299,128
Total Estimated Savings Through Contracts	$27,548,815

Ratio: $27,548,815/($92,327,768 + $11,299,128) = .266

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*These charges are predominantly paid from special Federal, State and/or City program funds.

BOARD OF EDUCATION
OF THE CITY OF NEW YORK
110 LIVINGSTON STREET
BROOKLYN, N.Y. 11201

BERNARD R. GIFFORD
DEPUTY CHANCELLOR

August 13, 1976

Mr. Arthur N. Gordon, Director
Metropolitan Area Office
New York State Comptroller's Office
Department of Audit and Control
270 Broadway
New York, New York 10007

Re: New York State Comptroller's
Tentative Draft Audit Report
Bureau of Plant Operation;
Contracted Custodial Services
(No. NYC - 4-77) (Dated 6/29/76)

Dear Mr. Gordon:

We have received the above captioned Draft Audit Report and your request for review and response. Enclosed are comments by Mr. Hugh McLaren, Executive Director of the Division of School Buildings.

We are considering the expansion of our custodial contract system. Had it not been for the contraction of our school plant and our uncertain wage negotiations with Locals 74 and 94, with which there is no contract at this time, such expansion would have been accomplished this year.

Please note that we believe it could be a mistake to eliminate our own custodians and only contract for maintenance in that "bidding" does not always end collusion or foster competition. We are of the opinion that our mechanical equipment is maintained much better by our own custodians.

In summary, we are looking into expanding the contract services and will soon be making a decision.

Yours in progress,

Bernard R Gifford

BERNARD R. GIFFORD
Deputy Chancellor

BRG:ds
Encl.
cc: I. Anker
M. Elin
J. Clark
H. McLaren
S. Halberstam

BOARD OF EDUCATION'S RESPONSE TO THE
NEW YORK STATE COMPTROLLER'S OFFICE DRAFT AUDIT REPORT
BUREAU OF PLANT OPERATION
CONTRACTED CUSTODIAL SERVICES

I have been advised of the following by Mr. Hugh McLaren, Executive Director, Division of School Buildings (DSB):

Statement

*Page 2, Paragraph 1; last sentence as follows:**

... However, he also stated that the companies currently under contract were the same as those that previously had the dropped schools.

BOE Comment

"This statement intimates that something is wrong in that contractors who had schools that were dropped for poor service were still doing business with the Board of Education. The service depends on the man assigned by the contractor to run the particular school. Service by contractors is not uniform throughout the schools he may be operating. The auditors disregarded my comments on the lack of bidders for this work. In the twelve years that schools have been placed under contract two bidders have consistently gotten the majority of the buildings. Prudential Star and Custodian Guidance (Formally Allstate). In the past couple of years two other contractors have entered the field, Empire State and Hempstead Maintenance. For the 1976/77 contract year we are back to two contractors. Custodial Guidance will have four buildings and Empire State two. A peculiar coincidence through the years was the manner in which the same contractor was always low bidder on the buildings he operated. The other contractors bid was generally only a few hundred dollars higher. This year the only bid received for 49 Flatbush Avenue Extension was $2,000 higher than the bid received last year even though service requirements were reduced. The holder of the 1975/76 contract had forgotten to submit a bid. The bids were rejected and readvertised. The only bidder on the first advertisement reduced his bid by $51,000 to become low bidder on the second advertisement. Another comment I made but that was not included in the report was the difficulty in processing contracts that were for definite time periods. This year was typical of the problem. The specification was forwarded to Budget for permission to advertise in February. Approval was received in late May. The specification was advertised and bids opened on June 10. This did not give sufficient time to have the awards passed by the Board of Education and the contracts registered by July 1. The contractors are actually working without a contract in order to keep the buildings operating."

** See Draft Audit Report*

Statement

Page 3, Paragraph 1 *

BOE Comment

"It is not understood why a calendar year was used for comparison when the contracts are for a fiscal year. In addition the building at 49 Flatbush Avenue Extension was omitted. This building has always been more costly under contract than under our own system. The report gives the impression that all after school activities including those on weekends were included in the contract. This is not so. At I.S. 70- Manhattan and Intermediate School 61 Queens activities were included for weekday evenings. Anything on a Saturday, Sunday or holiday was subject to an additional charge. At Public School 57 Manattan, only two PTA meetings per month were included in the contract. Summer programs were included in all five buildings. Where buildings are used at times not covered by the contract there are opening and space charges similar to those paid the custodian. I am attaching a cost comparison for Specification #372-75/76 which indicated an overall saving of 13%."

Statement

Page 4, Paragraph 1 *

BOE Comment

"The cost of operating after 5 P.M. would be added to the basic contract. It is an erroneous assumption that there would be no additional charge."

Statement

Page 4, Paragraph 2 *

BOE Comment

"The draft report states that the Director could offer no reasonable explanation for not expanding the use of contractors. There were several reasons put forth which apparently the author of the draft did not consider reasonable but which DSB does. First until recently the cost of contract schools operation exceeded our own costs by approximately ten percent (10%). Then in 1975 and again in 1976 the Budget Office voiced doubts about approving the specifications since there was a possibility of closing buildings to which Civil Service custodians were assigned. Of major consideration is the problem of getting approval to bid, awarding bids, getting contracts registered, etc. If this is a problem with a few schools what would it be with a large number. The Audit group could not see this as a problem but the continuity of operation is of the utmost importance to a school system and continuity cannot be guaranteed under the present bidding system."

See Draft Audit Report.

Statement

Page 4, Paragraph 2*

BOE Comment

"I do not believe it possible to forecast a 26% saving in the performance of 1000 buildings on a sampling of 5 (.005%). This is particularly true when the sixth building was disregarded."

Statement

Page 4*

Recommendation: BE should promptly expand its program of contracting for custodial services, through public competitive bidding, at all city schools.

BOE Comment

"The Deputy Chancellor has authorized a study of two districts for contract operation. No time table can be placed on this because of the current change in the state of buildings. We must relocate all displaced custodians before expanding the program. I think too that the opposition of the custodial unions must be considered if expansion of this program is precipitous."

*See Draft Audit Report.

TABLE I

COMPARISON OF COSTS SPECIFICATION 372/75-76

BOARD OF EDUCATION COSTS

	PS 57 M	PS 83 M	PS 96 M	PS 70 M	PS 61 Q	Bklyn. Area Off
Day Allowance	$77,427.15	$77,427.15	$77,427.15	$114,364.21	$114,364.21	$145,343.
Fringes	19,376.00	19,376.00	19,376.00	28,600.00	28,600.00	38,444.
Material	1,820.00	1,820.00	1,820.00	3,000.00	3,000.00	3,460.
Activity	1,795.04	1,795.04	1,795.04	12,263.10	12,263.10	- - - -
	$100,418.19	$100,418.19	$100,418.19	$158,227.31	$158,227.31	$187,247.

CONTRACT COSTS

	PS 57 M	PS 83 M	PS 96 M	PS 70 M	PS 61 Q	Bklyn. Area Off
Bid Price	$84,000.00	$84,000.00	$84,000.00	$118,200.00	$115,800.00	$199,760.
Bd of Ed Material	1,365.00	1,365.00	1,365.00	2,250.00	2,250.00	2,595.
	$85,365.00	$85,365.00	$85,365.00	$120,450.00	$118,050.00	$202,355.

COMPARISON

	Bd of Ed	Contract	Difference
PS 57 M	$100,418.19	$ 85,365.00	- $15,053.19
PS 83 M	100,418.19	85,365.00	- 15,053.19
PS 96 M	100,418.19	85,365.00	- 15,053.19
PS 70 M	158,227.31	120,450.00	- 37,777.31
PS 61 Q	158,227.31	118,050.00	- 40,177.31
Brooklyn Area Office	187,247.07	202,355.00	+ 15,107.93
	$804,956.26	$696,950.00	$108,006.26

13.4% Difference

Possible returns of excess by custodians have been disregarded.

CUSTODIAL SERVICE
AT A CERTAIN HIGH SCHOOL
NEW YORK CITY BOARD OF EDUCATION

AUDIT REPORT NYC-4-77

Office of the State Comptroller
Division of Audits and Accounts
Report Filed: January 28, 1977

OFFICE OF THE STATE COMPTROLLER
DIVISION OF AUDITS AND ACCOUNTS
AUDIT REPORT NYC-4-77

CUSTODIAL SERVICE AT A CERTAIN
HIGH SCHOOL - NEW YORK CITY
BOARD OF EDUCATION

MANAGERIAL SUMMARY

Background

Custodial services were furnished to Board of Education facilities through a system whereby each custodian was given an allowance based on such criteria as school size, type of heating and the amount of outside areas. The number and type of employees hired and hours worked were up to the custodian who compensated these employees from his allowance.

The custodian's earnings were determined by the amount of money remaining from the regular allowance and fees for extra activity (usually services provided during other than normal school hours) after all expenses for cleaning and heating the school had been paid. These earnings (known as net retainage) were limited by the current contract to a maximum of $31,000 for any one school. Any remainder was to be returned to the Board.

In 1975, the custodian at this high school was given an allowance of $249,358 for regular school services plus $80,245 for extra activity services, a total of $329,603. Of this amount $2,457 was returned to the Board. He employed approximately 22 employees (including his wife and son).

The results of this audit are being reported in two parts. This report involves irregularities in payroll practices and is being presented separately because these findings require prompt corrective action. The other operating matters will be included in a subsequent report.

Major Observations and Conclusions

Apparent irregularities in the reporting of certain employees' work time (including that of the custodian's wife and son), may have resulted in these employees being paid for time not worked. The irregularities included excessive overtime and weekend work for certain employees, questionable patterns of punches on time cards, discrepancies between the cards of certain employees and others on the custodial staff, and employees reported as present when, in fact, they were absent by their own admission or per other payroll records. These instances were sufficient, in our opinion, to indicate widespread manipulation of payroll documentation time by various custodial employees to obtain monies to which they were not entitled. To the extent such monies were unearned, they need to be recovered by the Board.

A copy of this report has been sent to the New York City Department of Investigation for appropriate action.

CUSTODIAL SERVICE AT A CERTAIN HIGH SCHOOL
NEW YORK CITY BOARD OF EDUCATION

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CUSTODIAL SERVICE AT A CERTAIN HIGH SCHOOL
NEW YORK CITY BOARD OF EDUCATION

A. Introduction

1. Scope of Audit

As part of our audit of the Bureau of Plant Operations of the New York City Board of Education (Board) we examined various payroll practices at a certain high school for the period January 1, 1975 to November 30, 1976.* The examination, which was performed pursuant to the State Comptroller's audit responsibilities as set forth in Article 3 of the General Municipal Law, was made in accordance with generally accepted auditing standards and included tests of the records and other auditing procedures we considered necessary.

2. Background

Custodial service was provided to Board facilities through a system by which each custodian was given an allowance based on such criteria as school size, unused space, type of heating and the amount of outside areas. The custodian hired his own employees and paid them from this allowance.

The custodial helpers were employees of the custodian, not of the Board. The number and type of employees hired and hours worked were up to the custodian who, as an employee of the Board, was governed by Civil Service Laws and the agreement between the Board and the custodians' union. Custodians' earnings were determined by the amount of money left from the regular day school allowance plus fees for extra activity services (usually provided during other than school hours) after all expenses for cleaning and heating the school were paid. These earnings (known as net retainage) were limited by school size so that the maximum ranged from $17,931 to $31,000 for any one school. Any remainder above the maximum was to be returned to the Board.

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* Our review at this school resulted directly from an informal request received during our audit survey from the Board's Inspector General. (See Appendix A.)

Custodial operations were under the control of the Board's Bureau of Plant Operations, a part of the Division of School Buildings.

In 1975, the custodian at this school was given an allowance of $249,358 for day school services and $80,245 for extra activity services, a total of $329,603. Of this amount, $2,457 was returned to the Board. He retained approximately 22 employees; nine firemen, eight cleaners, three handymen, one stationary engineer and one laundry bath attendant.

3. Discussion of Audit Results

The matters in this report were discussed with officials of the Board of Education during an exit conference in December 1976. In addition, a draft of this report was sent to the Board and the State Education Department with a request for comments. Comments received have been included, as applicable, in this report. (See Appendix B.)

The findings of this audit are being reported in two parts. This report, involving irregularities in payroll practices, is being presented separately because the findings require prompt action. The other operating matters will be included in a subsequent report.

Office of the State Comptroller
Division of Audits and Accounts

Report Filed: January 28, 1977

ARTHUR LEVITT
STATE COMPTROLLER

B. Irregularities in Employee Records

Apparent irregularities in the reporting of certain custodial employees' work time, may have resulted in these employees being paid for time not worked. The irregularities included excessive overtime and weekend work for certain employees, discrepancies between the time cards of these employees and those of others on the custodial staff, and employees reported as present when, in fact, they were absent by their own admission or per other payroll records. The reported instances of questionable time documentation indicate the possibility of widespread manipulation by various employees to obtain monies to which they were not entitled.

In a second report on this audit we will set forth findings on various weaknesses in the Board's administrative controls which facilitated the highly questionable conditions found at the school. These included inadequate monitoring of custodial personal service expenditures (about 95 percent of total custodial costs), insufficient attention to nepotistic employment practices and lack of procedures to insure the accuracy and reliability of time and attendance records.

1. Overtime Practices

The overtime paid to certain employees was excessive. The amount of hours claimed as worked appeared unreasonable and the documentation of these hours was questionable. Included as firemen at the school were the custodian's son and an assistant custodian who received gross wages in 1975 of $21,229 and $29,973, respectively. The base annual firemen's salary for a regular 40-hour week was $13,150 in 1975. The difference between the base pay and the amount paid to the son and assistant custodian was due to premium pay for overtime and weekend work. The custodian's wife was also on the payroll, and in 1975 was paid $13,275. In addition, two employees with the same surname as the assistant custodian were paid $5,112 and $14,172, respectively. According to the Board's Inspector General, they were the assistant custodian's sons.

The time cards for the custodian's son were punched in and out almost every day in 1975. From January 1 through July 27 (208 days) the card was punched 200 days for nine hours each day, including the lunch hour and including Saturdays and Sundays. From July 28 through August 8 and from August 11 through 15 the card indicated that the son was on vacation. However, on August 9 and 10, a weekend, the card was punched for nine hours each day and noted "worked on vacation". From August 16 through December 31, 1975 (138 days), the cards were punched nine hours each day for 130 days. From January 1 through April 14, 1976, his time card was punched nine hours each day for 99 of 105 days.

The assistant custodian's time cards followed a similar but more extensive pattern. In 1975, he punched 351 days (out of 365) for 16 hours (including lunch and dinner) each day,* except for weekends where he worked 10 hours each day. The only days not punched were New Year's Day, 12 days vacation from August 4 through August 15, and Christmas Day. From August 16 through 31 his cards were punched and indicated "worked on vacation". On New Year's Eve (December 31, 1975) the card was punched out at 12 midnight.

From January 1, 1976 through April 30 the card was punched in every day but New Year's Day. In May the card was punched about 15 hours each day for 26 of 31 calendar days. This decrease in days recorded occurred after the commencement of our review.

The custodian informed us that he maintained a 24-hour service at the school to prevent break-ins and vandalism and that this accounted for the large amount of overtime and weekend work. It should be noted, however, that it would have been less expensive to hire additional staff than to pay premium wages for overtime work.

An analysis of the apportionment of overtime showed that a very substantial percentage was accounted for by only a few employees. In 1975, of a total of 5,754 premium hours recorded by firemen, 2,626 hours, or 46 percent, were attributed to the custodian's son and the assistant custodian. (There were seven other firemen at the school.) Furthermore, 43 percent of all custodian premium hours worked were accounted for by the custodian's family, the assistant and his two sons.

The time punched on the cards used to substantiate the work hours of the custodian's wife, son and assistant followed an unusual pattern which did not appear on the cards of the other regular custodian employees at the school. The 235 times punched on the cards in groups of three to five consecutive days advanced by one or two minutes each day, as shown below.

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* The assistant custodian had apparently reported this work pace for many years as indicated by his salary. Since 1971, when his current employer became custodian, his annual salary has exceeded $29,000. In 1973, he was paid $36,410 which exceeded the maximum allowance for a custodian at any one school.

		1975			
July		July		July	
1	6:42 a.m.	10	6:50	19	7:57 Sat.
2	6:44	11	6:51	20	7:58 Sun.
3	6:45	12	7:55 Sat.	21	6:41
4	Holiday	13	7:56 Sun.	22	6:43
5	7:52 Sat.	14	6:54	23	6:45
6	7:53 Sun.	15	6:55	24	6:47
7	6:47	16	6:55	25	6:48
8	6:48	17	6:56	26	7:48 Sat.
9	6:49	18	6:58	27	7:51 Sun.

These patterns existed during the entire period of our review from January 1, 1975 through March 31, 1976.

We were told by an official of a time clock company that the clock cannot be moved backwards, and that it takes approximately one or two minutes to advance the hour hand 24 hours and to correspondingly change the date. Manipulation of the time clock would, we were told, produce such a progression of increasing minutes corresponding to sequential dates.

Further review of personnel expenditures at the school revealed that four part-time employees were also custodians at other schools. The four earned gross wages of $83,300 at their own schools plus $22,808 as custodial helpers at this high school. Because this school had a high pressure boiler system, work as a fireman at this school enabled these custodians to fulfill the experience requirement for a custodian engineer's license.

Examination of a sample of time cards for three of these employees revealed systematic advancing time patterns similar to those noted for the custodian's son, wife and assistant. The examination also disclosed a schedule of hours which, when taken together with a custodian's regular hours of 8 a.m. to 5 p.m. daily, seemed unreasonable.

For example, the time card for one custodian for the month of October 1975 was punched on Monday through Thursday of each week, usually from about 11 p.m. to 3 a.m. or from 12 p.m. to 4 a.m. the next morning, plus an average of 18 hours over the weekend. Aside from monetary compensation these time cards may have also been used to certify experience required for the custodians' engineer licenses. The monthly payroll information sheet (P.O. 1 - 45M) for October for this custodian at his regular location (a school district office) indicated that he worked the normal school days, from 8 a.m. to 5 p.m., plus an additional ten hours during the month in extra activities.

2. Analysis of Time Cards

There were a number of indications that the time reported by the custodian's wife and son and the assistant custodian may have been other than that worked.

- In May 1976 we made a surprise visit to the school. According to the assistant custodian, the custodian (who was not present) was on jury duty. The time cards for the assistant and the custodian's wife and son were kept in the custodian's office away from the time clock and from the cards of the other custodian employees. This was done, we were informed by the assistant custodian, to prevent the cards from being "tampered with" by the other employees. (We received no satisfactory explanation as to why the other employees would want to tamper with these time cards.)

- There were two time clocks in the school.* One was in the school's main office and used by the instructional staff. The second was in the boiler room for use by the custodial staff. The clocks had demonstrably different print. We noted that for varying periods between January 1975 and November 1976, the print on the cards of various employees, including the custodian's wife, son and the assistant custodian, indicated that different clocks were used for different periods. During our first visit to the school the assistant custodian stated that he and the custodian's wife and son used the main office clock while all the other employees used the one in the boiler room. During a subsequent visit the custodian told us that all employees, including his son and the assistant custodian, used the boiler room clock.

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* After our exit conference, the Inspector General told us that there was a third clock in the lunchroom for kitchen employees.

. There were other discrepancies between the cards of the custodian's son and wife and the assistant custodian in contrast to those of the other employees. For example, on May 10, 1976, the time clock in the boiler room was apparently 12 hours behind the actual time. That is, an employee punching in at 8 a.m. on May 10 showed 8 p.m. May 9 on his card. This was true of the cards of all custodial employees who worked on that date-except those of the son, wife and assistant custodian. Unaccountably, their time cards did not show any lag on May 10 although they were apparently punched on the same clock.

. Another example occurred on August 7, 1975 when the ribbon on the time clock was apparently changed. The cards of all employees working from August 1 to the morning of August 7 were punched in light blue ink. Thereafter, these employees' cards were punched in purple ink. Those employees working on August 1 but who took vacation between then and August 7, including the assistant custodian, were punched in purple ink prior to August 7 although we were advised that the ribbon was not changed until that date. Also, one of the assistant custodian's sons had his time punched in purple for the entire month. Here also the print on all the employees' cards was the same indicating that only one time clock was used.

These two examples indicate that certain cards were punched at a different time than the date shown on the card.

Other examples of payment for time apparently not worked were:

. During our field visit the custodian's wife mentioned that she and her husband had been on a cruise the week that the blizzard occurred in February 1976 (February 2). Nevertheless, she was punched in for eight hours and the custodian's absence was not reported on that day.

. In January 1976, the custodian requested and received additional monies from the Board as reimbursement for replacements of employees reported sick. In the claim he reported his wife was sick January 12, 13, 29 and 30, yet her time card was punched in all of these days.

All time cards were certified by the employees and reviewed by the custodian's assistant. The Board's Director of Plant Operations, who was responsible for all custodial operations, advised us that all custodians possess the keys to their time clocks in order to maintain them. The custodian at this school advised us that he had the keys to the time clocks but that the employees did not have access to them.

3. Supervision by the Board

Despite the aforementioned apparent abuses of overtime payments, the operations at this school were not questioned by the custodian's supervisors in their rating reports. On April 7, 1976, in response to a request by the Inspector General (see Appendix A), the Assistant Chief of School Custodians visited the school. In his memo to the Director of Plant Operations, dated April 22, 1976, he noted the following:

"...The number of hours recorded for (the assistant custodian) and (the custodian's son) are excessive. A specific need for the services of these individuals for the duration reported is questionable."

Also, because the assistant custodian did not possess a custodial engineer's license "...The required coverage of this high pressure boiler plant, while in operation, appears to be in violation (of regulations)."

The memo contained recommendations to the custodian to limit the number of hours of overtime for the son and the assistant custodian.

Despite this, the Director wrote to the Board's Inspector General, on April 30, 1976, saying:

"The overtime paid to (the assistant custodian) and (the custodian's son) is a great number of hours. However, this overtime does not cost the Board of Education any additional money.* The time on the compensation reports corresponds to the time on the time cards. Overtime assignments are up to the custodian. If the employees have a complaint about overtime assignments it should be referred by them to their union...Our check of the complaint does not indicate any need for further Board of Education action."

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* Contrary to this statement, any money remaining over the custodian's maximum net retainage is returned to the Board. Thus, the less spent, the less is the cost to the Board.

4. Custodian Allowances

The findings disclosed in this report give rise to the questions of: 1) whether the allowances granted the custodians are greater than that needed to properly clean and maintain the schools; and 2) whether the method of compensating custodians for their services lends itself to this type of payroll abuse. A more detailed analysis of the relationship of the custodian's allowance and the costs for cleaning and maintaining the school will be discussed in a subsequent audit report on custodial operations.

Recommendations

We recommend that the Board:

1. Make a complete investigation* in conjunction with appropriate authorities such as the City Department of Investigation and the appropriate District Attorney of all time reported as worked at this high school by the custodian's staff in the light of the matters reported herein.

2. Take immediate steps to recover any improper payments made to custodial employees.

3. Determine whether any disciplinary actions are warranted against the custodian and/or his staff for unsupported or false claims.

4. Determine whether the conditions found at this school exist at other schools.

5. Act promptly to prevent recurrences of these conditions.

(We are forwarding a copy of this report to the City Department of Investigation.)

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* At an exit conference on December 15, 1976, we notified officials of the Board of Education of our audit findings. Shortly thereafter, the Board's Inspector General intensified his investigation of this situation. (See Appendix B.)

Chronology of Events

9/20/75 - Letter from "Irate Citizen" (sent to the Mayor) detailing various allegations of payroll and other irregularities at this high school.

10/ 8/75 - Letter from City Department of Investigation to Board's Inspector General attaching aforementioned letter of 9/20/75 and requesting that this matter be looked into.

10/17/75 - Letter from high school custodian to Board's Inspector General forwarding copies of time cards for last six months as requested.

10/24/75 - Letter from Board's Inspector General to City Department of Investigation indicating that "The time cards...reveal no irregularities as to payment received for time worked."

2/19/76 - Letter from "Concerned Citizen" to "Investigating Committee" (copy concurrently to Board's Inspector General) detailing additional allegations of abuses at this high school.

2/20/76 - Inspector General reopens file on this school.

3/ 9/76 - Letter from City Department of Investigation to Board's Inspector General again requesting that these matters be looked into.

4/ 7/76 - Inspector General and personnel from the Board's Bureau of Plant Operations visit school.

4/22/76 - Memo from Assistant Chief of School Custodians to the Director of Plant Operations. (See report, page 8.)

4/28/76 - During our audit survey, Inspector General notifies State auditors of above allegations and suggests that we review operations at this school.

4/30/76 - Memo from Director of Plant Operations to Inspector General stating that the problem "...does not indicate any need for further Board of Education action." (See report, page 9.)

5/14/76 - Press reports on nepotism and possible fraud by this custodian.

Applicable excerpts from the Board's response to the draft report follow:

"The factual situation as recited in the (Draft) audit report, wherein the state auditors describe the overtime practices and the analysis of the time cards is correct, and does highlight a very irregular and perhaps unlawful situation existing within the high school where the audit was conducted.

"However, it should be stated very clearly that the Inspector General's office has been conducting an on-going and continuing investigation in reference to irregularities within the custodial service...

"From Spring 1976, the New York City Department of Investigation has been involved continuously in numerous areas of the custodial inquiry having been brought into the investigation by the Inspector General...

"Investigators from the Office of the Inspector General have also conducted a series of inspectoral visits to various schools for the express purpose of checking the time cards found in the rack and ascertaining if the employees represented thereon were actually working within the school...

"The following efforts have been done in relation to the recommendations as set forth on page (9) of the ... audit report:

1. The custodian involved in the instant situation turned over all of the original time cards to the Inspector General's office as a result of which there has been a complete examination of same and the irregularities contained therein and the results of our questioning of various members of the custodial staff is now in the process of being transmitted to the District Attorney of Queens County for possible criminal prosecution.

2. The Inspector General's office has also made a recommendation to the Director of the Bureau of School Buildings, that immediate disciplinary proceedings be made against the school custodian for failing to have exercised sufficient supervision and control over his subordinates. (The Director) has further been requested to take the appropriate measures to bring about the discharge of certain members of the custodian's staff. Auditors of the OAG have been assigned to examine the irregularities on the time cards for the purpose of making computations and ascertaining the amounts of improper payments made to the various members of the custodial staff, and thereafter, these items will be forwarded to the Corporation Counsel's office for collection purposes.

3. The Inspector General has been directed to spot-check the custodial helpers' time cards and various other high schools to see if time clock irregularities also exist in those institutions.

Thank you for the opportunity of reviewing this draft audit report and be assured that this matter will be pursued vigorously, and where appropriate, disciplinary charges will be brought against employees suspected of wrong doing."

APPENDIX: 10

TABLES OF CUSTODIAL HELPERS
HOURS, WAGES, FRINGE BENEFITS
BY TITLE AND JOB CLASSIFICATION
FOR 73/74 - 74/75 - 75/76 FISCAL PERIODS

APPENDIX: 10

TABLES OF CUSTODIAL HELPERS HOURS, WAGES, FRINGE BENEFITS BY TITLE AND JOB CLASSIFICATION FOR 73/74 - 74/75 - 75/76 FISCAL PERIODS

The source data for these tables was obtained from computer generated reports made available to the Project Management Team by the Production Control Unit of MIDP. The material consisted of copies of normal production runs generated for management at the Bureau of Plant Operation, and included detailed year-end reports of custodial expenditures by individual custodial helper title, by job classification of regular part-time and casual employee, and by male vs. female employee. The information presented in the following tables was summarized from these computer generated reports and eliminates the male vs. female segregation. Referring to the contractual obligation for fringe benefits catalogued in Exhibit 5*, Section IV, the total cost of fringe benefits and FICA payments was calculated and included.

LEGEND:

R,P,C	- Regular, Part-time, and Casual job classifications
REG. HOURS	- Hours worked during normal day school activity periods
EXTRA-ACTIVITY HOURS	- Hours worked during extra activity periods
PREMIUM HOURS	- The number of hours worked during REG. HOURS and EXTRA-ACTIVITY HOURS that were paid at overtime rates
SHIFT-DIFFERENTIAL	- The number of hours worked during REG. HOURS and EXTRA-ACTIVITY HOURS that were paid at shift-differential rates

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*Custodial Helpers, Hourly Wage and Fringe Scales Effective of 73/74 - 74/75 - 75/76 Fiscal Periods.

WAGES - Wages paid on the number of hours worked, REG. HOURS plus EXTRA-ACTIVITY HOURS, after adjustment for hours compensated at overtime and/or shift-differential rates

WELFARE BENEFITS* - Amount paid for welfare benefits, calculated from the hourly rate** on the number of hours worked (REG. HOURS plus EXTRA-ACTIVITY HOURS)

PENSION BENEFITS* - Amount paid for pension benefits, calculated from the hourly rate** on the number of hours worked (REG. HOURS plus EXTRA-ACTIVITY HOURS)

FICA*** - Amount paid for FICA, based on data available from Custodial Payroll Unit in MIDP; equals amount calculated by custodians for their employees

(74) - Refers to Local 74, Service Employees International Union (AFL-CIO)

(94) - Refers to Local 94, International Union of Operating Engineers (AFL-CIO).

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*The funds to pay these amounts are handled directly by the Board of Education; the Board of Education serves as the clearing agent to the Custodial Helper unions who receive these payments.

**See Exhibit 5, Section IV.

***The funds to pay this amount come from the individual custodian; the Board of Education serves as the clearing agent to the Federal government who receives this payment.

CUSTODIAL EXPENDITURES

1973-1974

1. PERSONNEL BY TITLE		NO. OF EMPLOYEES	REG. HOURS	EXTRA ACTIVITY HOURS	PREMIUM HOURS	SHIFT DIFFERENTIAL	WAGES	WELFARE BENEFITS	PENSION BENEFITS	FICA
STATIONARY ENG. (94)	R		79,750	17,816	20,114	2,732	694,139	21,465	14,635	
	P		1,419	1,206	432	--	17,381	578	394	
	C		4,502	2,553	485	--	45,979	1,552	1,058	
TOTALS			85,671	21,575	21,031	2,732	757,499	23,595	16,087	
FIREMAN (94)	R		2,163,760	275,701	491,932	82,527	14,077,195	536,631	365,919	
	P		33,073	24,830	13,895	4,647	333,3 8	12,739	8,685	
	C		26,363	20,118	12,493	635	276,616	10,226	6,972	
TOTALS			2,223,196	320,649	518,320	87,809	14,687,129	559,646	381,576	
COALPASSER (94)	R		11,378	1,452	1,192	--	66,802	2,814	1,919	
	P		--	827	19		4,171	182	124	
	C		160	--	--	--	797	35	24	
TOTALS			11,438	2,279	1,211	--	71,770	3,031	2,067	
FIREMAN (74)	R		209,177	20,475	43,973	8,451	1,311,114	43,633	32,151	
	P		29,179	9,757	10,539	2,809	230,153	7,398	5,451	
	C		14,030	5,130	4,638	394	111,120	3,640	2,682	
TOTALS			252,386	35,362	59,150	11,654	1,652,387	54,671	40,284	
HANDYMAN (74)	R		664,306	115,203	106,763	85,688	4,371,595	148,107	109,131	
	P		107,634	15,852	11,992	1,773	672,220	23,462	17,288	
	C		69,604	11,812	11,735	2,055	455,407	15,469	11,398	
TOTALS			841,544	142,867	130,490	89,516	5,499,222	187,038	137,817	
WATCHMAN (74)	R		33,207	3,701	8,569	17,714	167,804	7,013	5,167	
	P		1,526	136	346	293	7,387	316	235	
	C		5,359	560	1.890	92	29,142	1,125	829	
TOTALS			40,092	4,397	10,805	1 ,099	18,099	8,454	6,229	
CLEANER (74)	R		5,997,138	465,195	429,245	974,931	26,495,256	1,227,843	904,727	
	P		960,201	121,534	54,667	35,794	4,420,837	206,530	151,443	
	C		731,407	106,254	57,370	15,751	3,438,547	159,156	117,273	
TOTALS			7,688,746	692,983	541,282	1,026,476	34,354,640	1,592,529	1,173,443	
LAUNDRY BATH ATTND'T (74)	R		47,907	444	383	—	188,520	9,187	6,769	
	P		—	—	—	—	—	--	—	
	C		--	—	—	—	--	--	—	
TOTALS			47,907	444	383	--	183,520	9,187	6,769	
GRAND TOTAL			11,191,040	1,220,556	1,282,672	1,236,286	57,415,500	2,438.151	1,764,272	3,141,238

CUSTODIAL EXPENDITURES

1974-1975

1. PERSONNEL BY TITLE

			NO. OF EMPLOYEES	REG. HOURS	EXTRA ACTIVITY HOURS	PREMIUM HOURS	SHIFT DIFFERENTIAL	GROSS WAGES	WELFARE BENEFITS	PENSION BENEFITS	FICA
STATIONARY ENG.	(94)	R		87,018	14,804	18,923	2,184	825,516	32,583	15,273	
		P		1,621	736	441	--	18,817	754	354	
		C		7,805	2,315	749	--	76,215	3,238	1,518	
	TOTALS			96,444	17,855	20,113	2,184	920,548	36,575	17,145	
FIREMAN	(94)	R		2,266,095	269,951	514,166	109,856	17,385,583	811,519	380,399	
		P		49,632	21,170	11,264	58	346,593	22,657	10,620	
		C		28,630	20,916	12,304	1,676	354,309	15,855	7,432	
	TOTALS			2,344,351	312,037	537,734	111,590	18,086,485	850,031	398,451	
COALPASSER	(94)	R		9,900	985	1,105	3	68,961	3,433	1,633	
		P		70	992	144	48	6,640	340	159	
		C		830	29	20	--	4,954	275	129	
	TOTALS			10,800	2,006	1,269	51	80,555	4,093	1,921	
FIREMAN	(74)	R		238,876	22,612	51,543	7,946	1,765,903	49,683	49,683	
		P		20,732	8,157	9,650	4,002	257,427	5,498	5,498	
		C		12,379	3,815	5,124	759	110,693	3,077	3,077	
	TOTALS			272,037	34,584	66,317	12,707	2,134,023	58,258	58,258	
HANDYMAN	(74)	R		743,786	119,333	109,558	201,153	5,697,419	163,993	163,993	
		P		141,639	15,141	10,894	3,907	1,002,135	29,798	29,798	
		C		66,954	13,579	14,048	2,822	582,825	15,301	15,301	
	TOTALS			952,429	148,053	134,490	207,882	7,282,379	209,092	209,092	
WATCHMAN	(74)	R		14,785	3,132	8,281	13,543	201,032	3,404	3,404	
		P		1,072	614	672	8	9,217	320	320	
		C		5,897	1,124	2,427	264	38,145	1,334	1,334	
	TOTALS			21,754	4,870	11,380	13,815	248,394	5,058	5,058	
CLEANER	(74)	R		6,518,052	489,493	444,111	1,222,443	33,801,395	1,331,434	1,331,434	
		P		1,055,921	117,941	58,844	19,614	5,618,944	223,034	223,034	
		C		851,094	118,262	65,133	29,614	4,716,479	184,178	184,178	
	TOTALS			8,425,067	725,696	568,088	1,271,671	44,136,813	1,738,646	1,738,646	
LAUNDRY BATH ATTND'T	(74)	R		42,006	617	322	90	198,572	8,098	8,098	
		P		--	--	--	--	--	--	--	
		C		--	--	--	--	--	--	--	
	TOTALS			42,006	617	322	90	198,572	8,098	8,098	
GRAND TOTAL				12,164,894	1,245,718	1,339,713	1,619,990	73,087,774	2,909,856	2,436,669	3,908,024

CUSTODIAL EXPENDITURES

1975-1976

1. PERSONNEL BY TITLE

			NO. OF EMPLOYEES	REG. HOURS	EXTRA ACTIVITY HOURS	PREMIUM HOURS	SHIFT DIFFERENTIAL	GROSS WAGES	WELFARE BENEFITS	PENSION BENEFITS	FICA
STATIONARY ENG.	(94)	R		90,733	11,962	18,046	1,711	866,419	277,254	216,604	
		P		2,455	712	1,245	—	28,727	9 193	7,182	
		C		8,074	696	558	--	70,765	22,645	17,691	
TOTALS				101,263	13,370	19,849	1,711	965,911	309,092	241,477	
FIREMAN	(94)	R		2,332,214	177,951	449,384	115,205	17,988,525	803,253	627,541	
		P		32,212	11,780	9,036	5,142	315,684	14,077	10,998	
		C		34,526	8,494	9,492	723	316,326	13,766	10,755	
TOTALS				2,398,952	198,225	468,412	121,070	18,620,535	831,096	649,294	
COALPASSER	(94)	R		6,674	386	505	192	45,963	1,341	2,047	
		P		72	4,108	2,512	--	34,261	794	1,212	
		C		872	492	--		8,632	259	396	
TOTALS				7,618	4,986	3,017	192	88,856	2,394	3,655	
FIREMAN	(74)	R		227,315	14,860	37,353	10,955	1,709,321	46,013	70,231	
		P		28,397	4,751	7,425	21,903	240,669	6,298	9,613	
		C		11,761	1,443	3,806	30	98,403	2,509	3,829	
TOTALS				267,473	21,054	48,585	32,888	2,048,393	54,820	83,673	
HANDYMAN	(74)	R		825,349	81,622	97,210	143,823	6,295,698	172,324	263,022	
		P		157,171	8,032	8,377	3,005	1,106,979	31,388	47,909	
		C		80,111	9,830	12,838	1,051	630,292	17,089	26,083	
TOTALS				1,062,631	99,484	118,425	147,879	8,032,969	220,801	337,014	
WATCHMAN	(74)	R		36,368	874	7,397	12,479	208,960	7,076	10,800	
		P		1,254	340	1,293	--	11,292	303	462	
		C		5,291	94	1,383	304	30,565	1,023	1,562	
TOTALS				42,913	1,308	10,073	12,783	250,817	8,402	12,824	
CLEANER	(74)	R		6,523,937	331,298	352,909	545,623	35,399,453	1,302,495	1,988,018	
		P		1,040,308	71,421	51,698	28,705	5,710,460	211,229	322,401	
		C		810,977	63,471	56,760	39,653	4,522,151	166,145	253,590	
TOTALS				8,375,222	466,190	461,367	613,981	45,632,064	1,679,869	2,564,009	
LAUNDRY BATH ATTND'T	(74)	R		35,951	408	257	—	179,455	6,908	10,544	
		P		—	--	—	—	--	—	—	
		C		--	—	—	--	—	—	--	
TOTALS				35,951	408	237	—	179,455	6,908	10,544	
GRAND TOTAL				12,292,023	805,025	1,129,971	**930,504**	75,819,000	3,113,332	3,902,490	4,216,407

APPENDIX: 10

TABLES OF CUSTODIAL HELPERS
HOURS, WAGES, FRINGE BENEFITS
BY TITLE AND JOB CLASSIFICATION
FOR 73/74 - 74/75 - 75/76 FISCAL PERIODS

APPENDIX: 10

TABLES OF CUSTODIAL HELPERS
HOURS, WAGES, FRINGE BENEFITS
BY TITLE AND JOB CLASSIFICATION
FOR 73/74 - 74/75 - 75/76 FISCAL PERIODS

The source data for these tables was obtained from computer generated reports made available to the Project Management Team by the Production Control Unit of MIDP. The material consisted of copies of normal production runs generated for management at the Bureau of Plant Operation, and included detailed year-end reports of custodial expenditures by individual custodial helper title, by job classification of regular part-time and casual employee, and by male vs. female employee. The information presented in the following tables was summarized from these computer generated reports and eliminates the male vs. female segregation. Referring to the contractual obligation for fringe benefits catalogued in Exhibit 5*, Section IV, the total cost of fringe benefits and FICA payments was calculated and included.

LEGEND:

R,P,C	- Regular, Part-time, and Casual job classifications
REG. HOURS	- Hours worked during normal day school activity periods
EXTRA-ACTIVITY HOURS	- Hours worked during extra activity periods
PREMIUM HOURS	- The number of hours worked during REG. HOURS and EXTRA-ACTIVITY HOURS that were paid at overtime rates
SHIFT-DIFFERENTIAL	- The number of hours worked during REG. HOURS and EXTRA-ACTIVITY HOURS that were paid at shift-differential rates

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*Custodial Helpers, Hourly Wage and Fringe Scales Effective of 73/74 - 74/75 - 75/76 Fiscal Periods.

WAGES - Wages paid on the number of hours worked, REG. HOURS plus EXTRA-ACTIVITY HOURS, after adjustment for hours compensated at overtime and/or shift-differential rates

WELFARE BENEFITS* - Amount paid for welfare benefits, calculated from the hourly rate** on the number of hours worked (REG. HOURS plus EXTRA-ACTIVITY HOURS)

PENSION BENEFITS* - Amount paid for pension benefits, calculated from the hourly rate** on the number of hours worked (REG. HOURS plus EXTRA-ACTIVITY HOURS)

FICA*** - Amount paid for FICA, based on data available from Custodial Payroll Unit in MIDP; equals amount calculated by custodians for their employees

(74) - Refers to Local 74, Service Employees International Union (AFL-CIO)

(94) - Refers to Local 94, International Union of Operating Engineers (AFL-CIO).

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*The funds to pay these amounts are handled directly by the Board of Education; the Board of Education serves as the clearing agent to the Custodial Helper unions who receive these payments.

**See Exhibit 5, Section IV.

***The funds to pay this amount come from the individual custodian; the Board of Education serves as the clearing agent to the Federal government who receives this payment.

CUSTODIAL EXPENDITURES

1973-1974

1. PERSONNEL BY TITLE

		NO. OF EMPLOYEES	REG. HOURS	EXTRA ACTIVITY HOURS	PREMIUM HOURS	SHIFT DIFFERENTIAL	WAGES	WELFARE BENEFITS	PENSION BENEFITS	FICA
STATIONARY ENG. (94)	R		79,750	17,816	20,114	2,732	694,139	21,465	14,635	
	P		1,419	1,206	432	--	17,381	578	394	
	C		4,502	2,553	485	--	45,979	1,552	1,058	
TOTALS			85,671	21,575	21,031	2,732	757,499	23,595	16,087	
FIREMAN (94)	R		2,163,700	275,701	491,932	82,527	14,077,195	536,681	365,919	
	P		33,073	24,830	13,895	4,647	333,3 8	12,739	8,685	
	C		26,363	20,118	12,493	635	276,616	10,226	6,972	
TOTALS			2,223,196	320,649	518,320	87,809	14,687,129	559,646	381,576	
COALPASSER (94)	R		11,338	1,452	1,192	--	66,802	2,814	1,919	
	P		--	827	19		4,171	182	124	
	C		160	--	--	--	797	35	24	
TOTALS			11,498	2,279	1,211	--	71,770	3,031	2,067	
FIREMAN (74)	R		209,177	20,475	43,973	8,451	1,311,114	43,633	32,151	
	P		29,179	9,757	10,539	2,809	230,153	7,398	5,451	
	C		14,030	5,130	4,638	394	111,120	3,640	2,682	
TOTALS			252,386	35,362	59,150	11,654	1,652,387	54,671	40,284	
HANDYMAN (74)	R		664,306	115,203	106,763	85,678	4,371,595	148,107	109,131	
	P		107,634	15,852	11,992	1,773	672,220	23,462	17,288	
	C		69,604	11,812	11,735	2,065	455,407	15,469	11,398	
TOTALS			841,544	142,867	130,490	89,516	5,499,222	187,038	137,817	
WATCHMAN (74)	R		33,207	3,701	8,569	17,714	167,804	7,013	5,167	
	P		1,526	136	346	293	7,387	316	233	
	C		5,359	560	1,890	92	29,142	1,125	839	
TOTALS			40,092	4,397	10,805	1 ,099	18,099	8,454	6,239	
CLEANER (74)	R		5,997,138	465,195	429,245	974,931	26,495,256	1,227,843	904,727	
	P		960,201	121,534	54,667	35,794	4,420,837	205,530	151,413	
	C		731,407	106,254	57,370	15,751	3,438,547	159,156	117,273	
TOTALS			7,688,746	692,983	541,282	1,026,476	34,354,640	1,592,529	1,173,413	
LAUNDRY BATH ATTND'T (74)	R									
	P		47,907	444	383	--	188,520	9,187	6,769	
			--	--	--	--	--	--	--	
	C		--	--	--	--	--	--	--	
TOTALS			47,907	444	383	--	188,520	9,187	6,769	
GRAND TOTAL			11,191,040	1,220,556	1,282,672	1,236,286	57,415,500	2,438.151	1,764,272	3,141,238

CUSTODIAL EXPENDITURES

1974-1975

1. PERSONNEL BY TITLE

			NO. OF EMPLOYEES	REG. HOURS	EXTRA ACTIVITY HOURS	PREMIUM HOURS	SHIFT DIFFERENTIAL	GROSS WAGES	WELFARE BENEFITS	PENSION BENEFITS	FICA
STATIONARY ENG.	(94)	R		87,018	14,804	18,923	2,184	825,516	32,583	15,273	
		P		1,621	736	441	--	18,817	754	354	
		C		7,805	2,315	749	--	76,215	3,238	1,518	
	TOTALS			96,444	17,855	20,113	2,184	920,548	36,575	17,145	
FIREMAN	(94)	R		2,266,095	269,951	514,166	109,856	17,395,583	811,519	380,399	
		P		49,632	21,170	11,264	58	346,593	22,657	10,620	
		C		28,630	20,916	12,304	1,676	354,309	15,855	7,432	
	TOTALS			2,344,357	312,037	537,734	111,590	18,086,485	850,031	398,451	
COALPASSER	(94)	R		9,900	985	1,105	8	68,961	3,433	1,633	
		P		70	992	144	43	6,640	340	159	
		C		830	29	20	--	4,954	275	129	
	TOTALS			10,800	2,006	1,269	51	80,555	4,098	1,921	
FIREMAN	(74)	R		238,876	22,612	51,543	7,946	1,765,903	49,683	49,683	
		P		20,732	8,157	9,650	4,002	257,427	5,498	5,498	
		C		12,379	3,815	5,124	759	110,693	3,077	3,077	
	TOTALS			272,037	34,584	66,317	12,707	2,134,023	58,258	58,258	
HANDYMAN	(74)	R		743,786	119,333	109,558	201,153	5,697,419	163,993	163,993	
		P		141,689	15,141	10,834	3,907	1,002,135	29,798	29,798	
		C		66,954	13,579	14,008	2,822	582,825	15,301	15,301	
	TOTALS			952,429	148,053	134,400	207,882	7,282,379	209,092	209,092	
WATCHMAN	(74)	R		14,785	3,132	8,281	13,543	201,032	3,404	3,404	
		P		1,072	614	672	8	9,217	320	320	
		C		5,897	1,124	2,427	264	38,145	1,334	1,334	
	TOTALS			21,754	4,870	11,380	13,815	248,394	5,058	5,058	
CLEANER	(74)	R		6,518,052	489,493	444,111	1,222,443	33,801,395	1,331,434	1,331,434	
		P		1,055,921	117,941	58,844	19,614	5,618,944	223,034	223,034	
		C		851,094	118,262	65,133	29,614	4,716,479	184,178	184,178	
	TOTALS			8,425,067	725,696	568,088	1,271,671	44,136,818	1,738,646	1,738,646	
LAUNDRY BATH ATT'D'T	(74)	R		42,006	617	322	90	193,572	8,098	8,098	
		P		--	--	--	--	--	--	--	
		C		--	--	--	--	--	--	--	
	TOTALS			42,006	617	322	90	193,572	8,098	8,098	
GRAND TOTAL				12,164,894	1,245,718	1,339,713	1,619,990	73,087,774	2,909,856	2,436,669	3,908,024

CUSTODIAL EXPENDITURES

1975-1976

1. PERSONNEL BY TITLE

			NO. OF EMPLOYEES	REG. HOURS	EXTRA ACTIVITY HOURS	PREMIUM HOURS	SHIFT DIFFERENTIAL	GROSS WAGES	WELFARE BENEFITS	PENSION BENEFITS	FICA
STATIONARY ENG.	(94)	R		90,733	11,962	18,046	1,711	866,419	277,254	216,604	
		P		2,455	712	1,245	--	28,727	9 193	7,182	
		C		8,074	696	558	--	70,765	22,645	17,691	
TOTALS				101,263	13,370	19,849	1,711	965,911	309,092	241,477	
FIREMAN	(94)	R		2,332,214	177,951	419,334	115,205	17,988,525	803,253	627,541	
		P		32,212	11,780	9,036	5,142	315,684	14,077	10,998	
		C		34,526	8,494	9,492	723	316,326	13,766	10,755	
TOTALS				2,398,952	198,225	466,412	121,070	18,620,535	831,096	649,294	
COALPASSER	(94)	R		6,674	386	505	192	45,963	1,341	2,047	
		P		72	4,108	2,512	--	34,261	794	1,212	
		C		872	402	--		8,632	259	396	
TOTALS				7,618	4,936	3,017	192	88,856	2,394	3,655	
FIREMAN	(74)	R		227,315	14,860	37,353	10,955	1,709,321	46,013	70,231	
		P		28,397	4,751	7,425	21,903	240,669	6,298	9,613	
		C		11,761	1,443	3,816	30	98,403	2,509	3,829	
TOTALS				267,473	21,054	48,588	32,888	2,048,393	54,820	83,673	
HANDYMAN	(74)	R		825,349	81,622	97,210	143,825	6,295,698	172,324	263,022	
		P		157,171	8,032	8,377	3,005	1,106,979	31,388	47,909	
		C		80,111	9,830	12,838	1,051	630,292	17,089	26,083	
TOTALS				1,062,631	99,484	118,425	147,879	8,032,969	220,801	337,014	
WATCHMAN	(74)	R		36,368	874	7,397	12,479	208,900	7,076	10,800	
		P		1,254	340	1,293	--	11,292	303	462	
		C		5,291	94	1,382	304	30,565	1,023	1,562	
TOTALS				42,913	1,308	10,073	12,783	250,817	8,402	12,824	
CLEANER	(74)	R		6,523,937	331,298	352,903	545,623	35,399,453	1,302,495	1,988,018	
		P		1,040,308	71,421	51,693	28,705	5,710,460	211,229	322,401	
		C		810,977	63,471	56,760	39,653	4,522,151	166,145	253,590	
TOTALS				8,375,222	466,190	461,367	613,981	45,632,064	1,679,869	2,564,009	
LAUNDRY BATH ATTND'T	(74)	R		35,951	408	257	--	179,455	6,908	10,544	
		P		--	--	--	--	--	--	--	
		C		--	--	--	--	--	--	--	
TOTALS				35,951	408	237	--	179,455	6,908	10,544	
GRAND TOTAL				12,292,023	805,025	1,129,971	930,504	75,819,000	3,113,332	3,902,490	4,216,407

APPENDIX: II

DETAILED GRAPHICAL ANALYSIS OF INDIVIDUAL CUSTODIAL HELPER TITLES: TOTAL EQUIVALENT HOURS PAID, TOTAL HOURS WORKED AND VALUE INDICATOR THREE-YEAR TRENDS AND ONE-YEAR OPERATING CYCLE (WITH CURRENT YEAR TRANSPARENT OVERLAYS)

DETAILED GRAPHICAL ANALYSIS OF INDIVIDUAL CUSTODIAL HELPER TITLES: TOTAL EQUIVALENT HOURS PAID, TOTAL HOURS WORKED AND VALUE INDICATOR THREE-YEAR TRENDS AND ONE-YEAR OPERATING CYCLE (WITH CURRENT YEAR TRANSPARENT OVERLAYS)

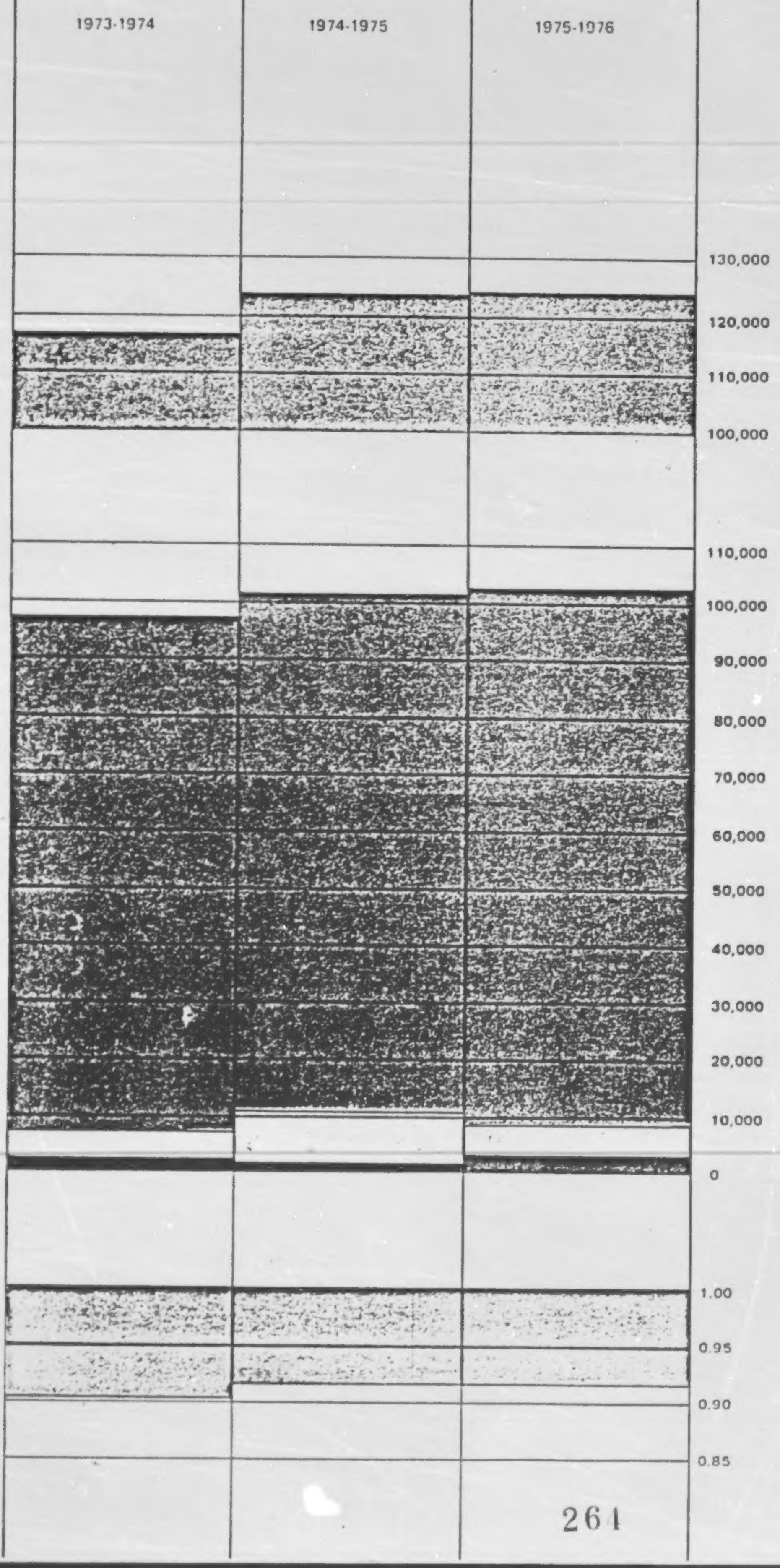
The information utilized in preparing these graphs was assembled from data presented in Appendix: 10 and from computer generated reports requested by the Project Management Team from the Production Control Unit of MIDP. Three-year trend graphs were prepared for individual custodial helper titles for fiscal years 73/74, 74/75, 75/76. The 1975-1976 fiscal period was investigated to identify the presence of any operating cycles. The transparent overlays on the operating cycle graphs indicate hourly work patterns by pay period for the first quarter just completed in the 1976-1977 fiscal year.

The primary usefulness of these graphs is in manpower scheduling by the management of the Bureau of Plant Operation. The individual title graphs do reflect, on the average, the graphs for all titles presented in the main body of the report in Section IV, however in some titles there are vast differences:

- In the Coal Passer title, examine the variation in total hours worked by regular, part-time and casual employees; it appears that the regular employees are more "casual" than the casual employees, also there is a disturbing peak in total hours worked by regular employees in the June 12 pay period, well past the height of the heating season
- In the Laundry-Bath Attendant title, note that there are no part-time or casual employees and that the value indicator very nearly indicates full value received (no overtime or shift-differential paid) over the 1975-1976 fiscal period.

For a full understanding of these variations, and for effective utilization of the results uncovered, additional work with the Bureau of Plant Operation will be begun.

CUSTODIAL HELPERS:
STATIONARY ENGINEER
TRENDS IN TOTAL HOURS
73/74–74/75–75/76
FISCAL YEARS



TOTAL EQUIVALENT HOURS PAID

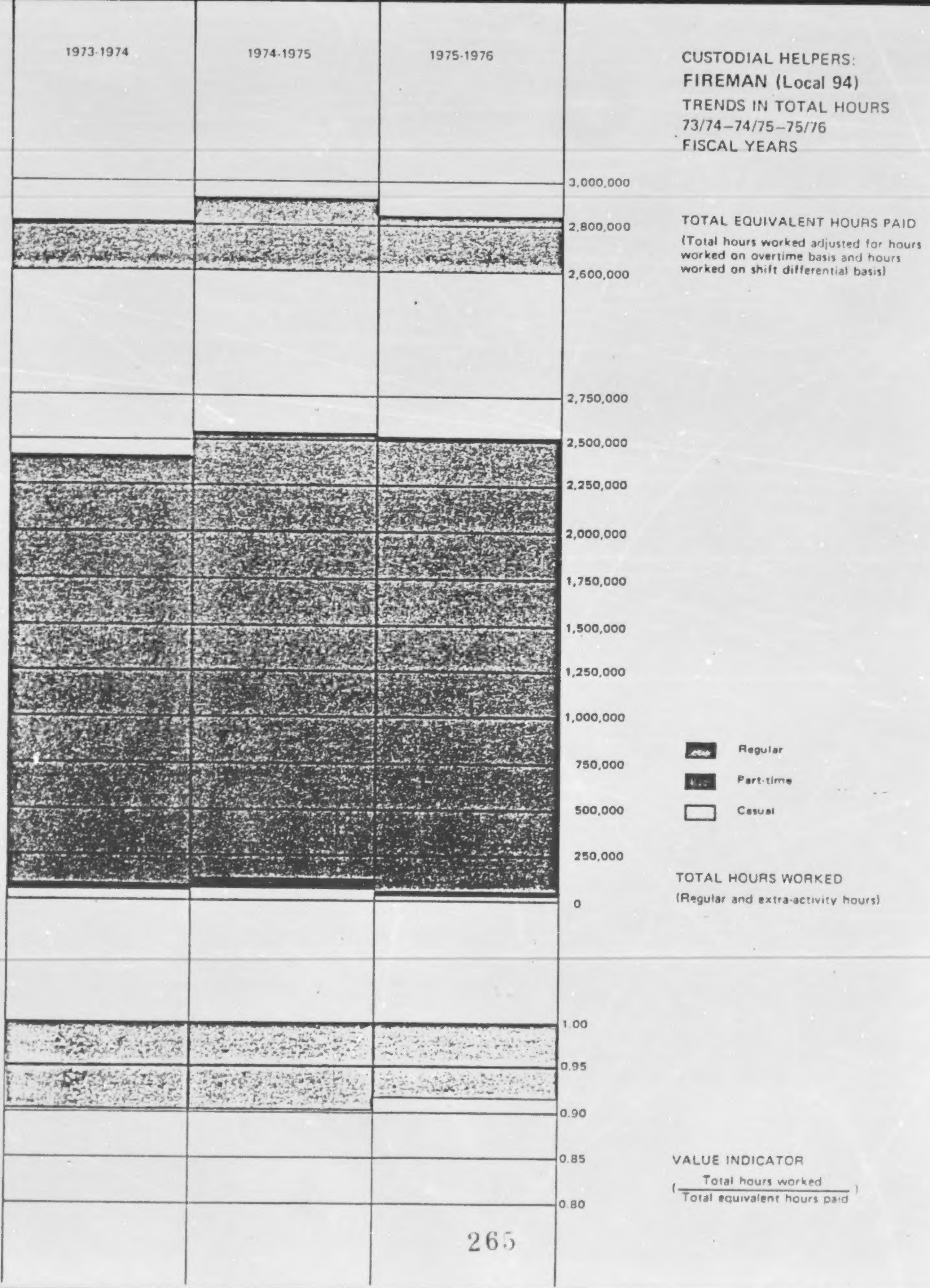
(Total hours worked adjusted for hours worked on overtime basis and hours worked on shift differential basis)

TOTAL HOURS WORKED

(Regular and extra-activity hours)

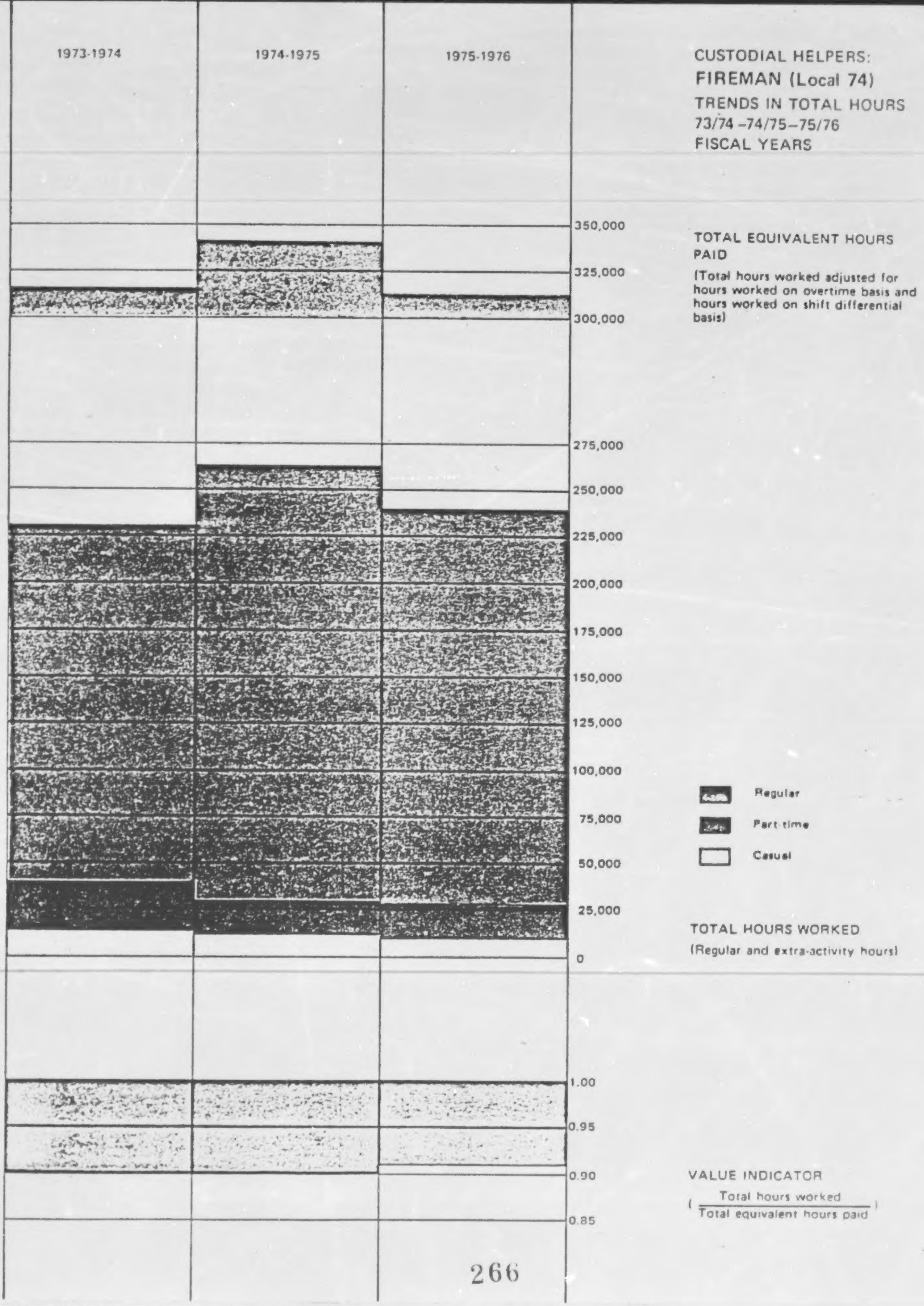
VALUE INDICATOR

$\left(\frac{\text{Total hours worked}}{\text{Total equivalent hours paid}}\right)$



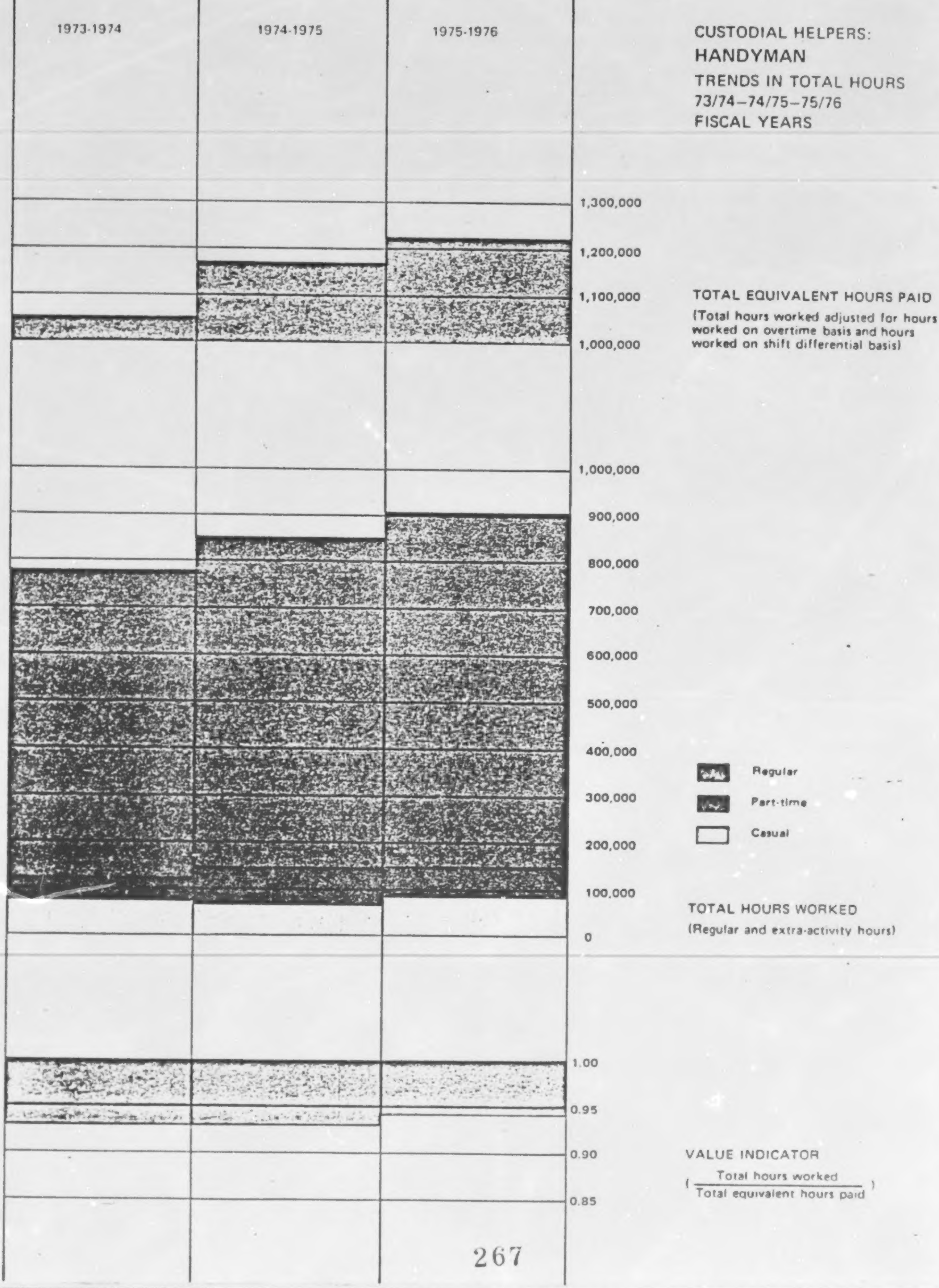
CUSTODIAL HELPERS:
FIREMAN (Local 94)
TRENDS IN TOTAL HOURS
73/74–74/75–75/76
FISCAL YEARS

CUSTODIAL HELPERS:
FIREMAN (Local 74)
TRENDS IN TOTAL HOURS
73/74 –74/75–75/76
FISCAL YEARS



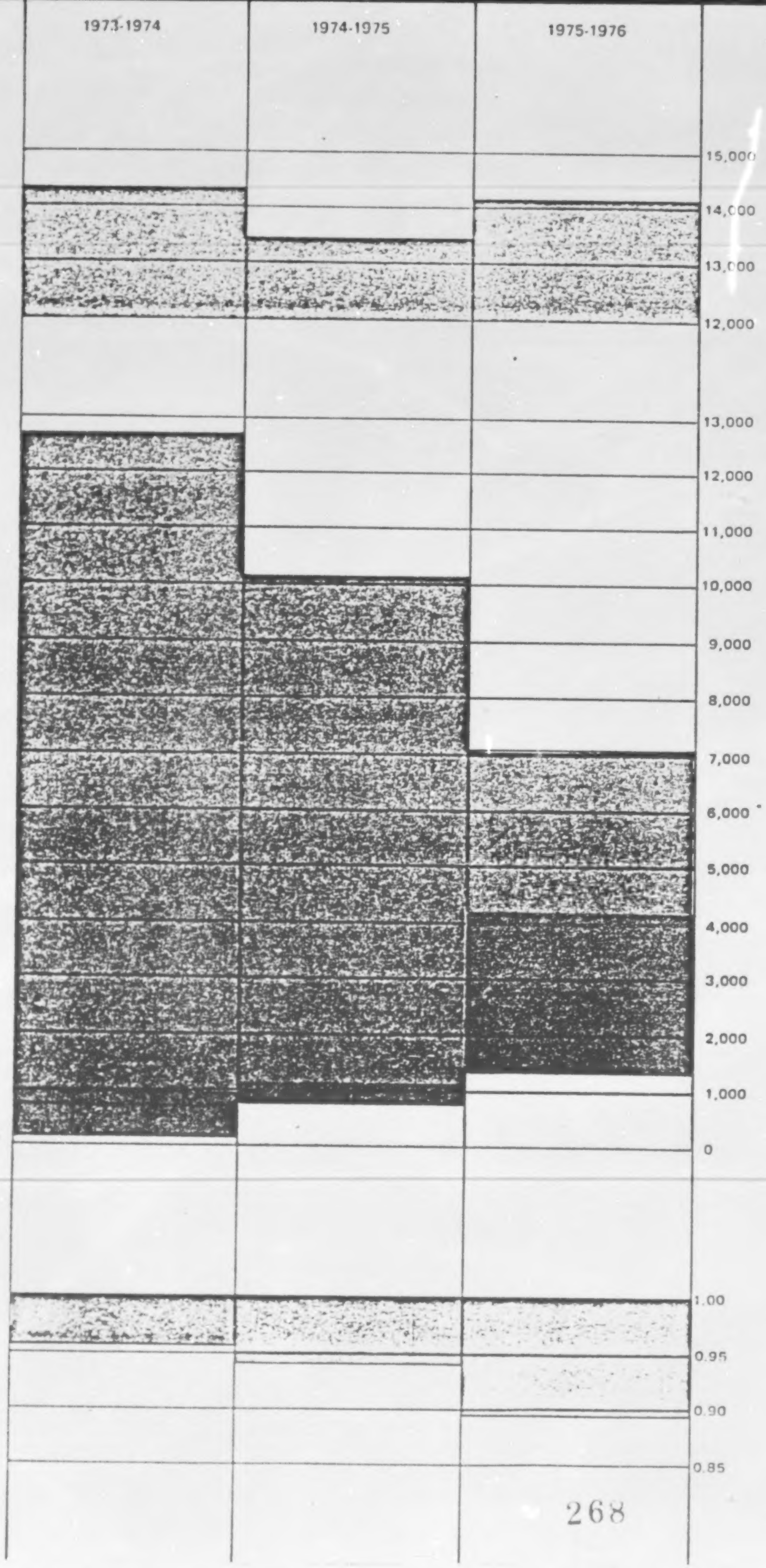
CUSTODIAL HELPERS: HANDYMAN

TRENDS IN TOTAL HOURS 73/74–74/75–75/76 FISCAL YEARS



CUSTODIAL HELPERS:
COAL PASSER

TRENDS IN TOTAL HOURS
73/74–74/75–75/76
FISCAL YEARS



TOTAL EQUIVALENT HOURS PAID

(Total hours worked adjusted for hours worked on overtime basis and hours worked on shift differential basis)

▨ Regular

■ Part-time

☐ Casual

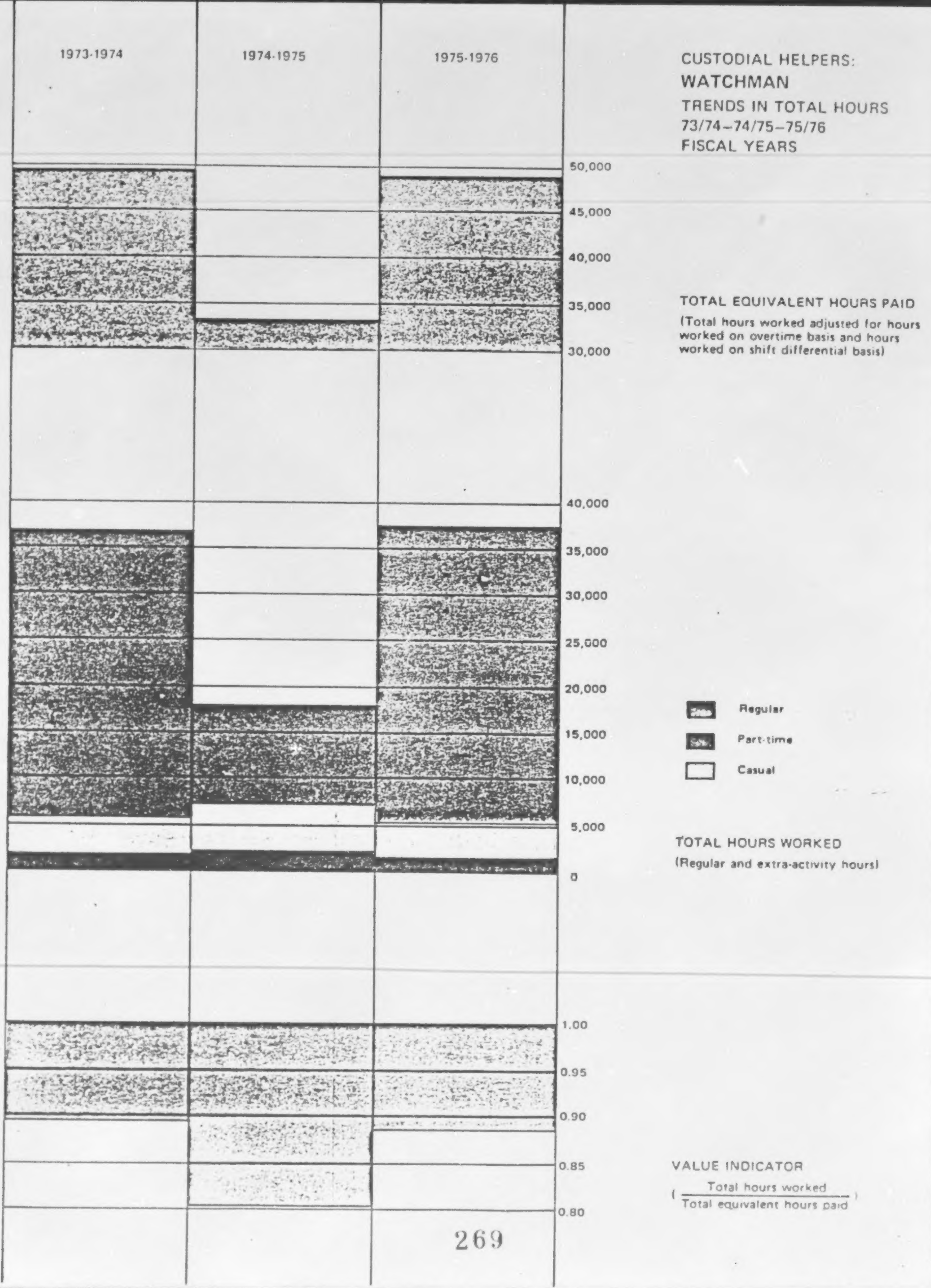
TOTAL HOURS WORKED

(Regular and extra-activity hours)

VALUE INDICATOR

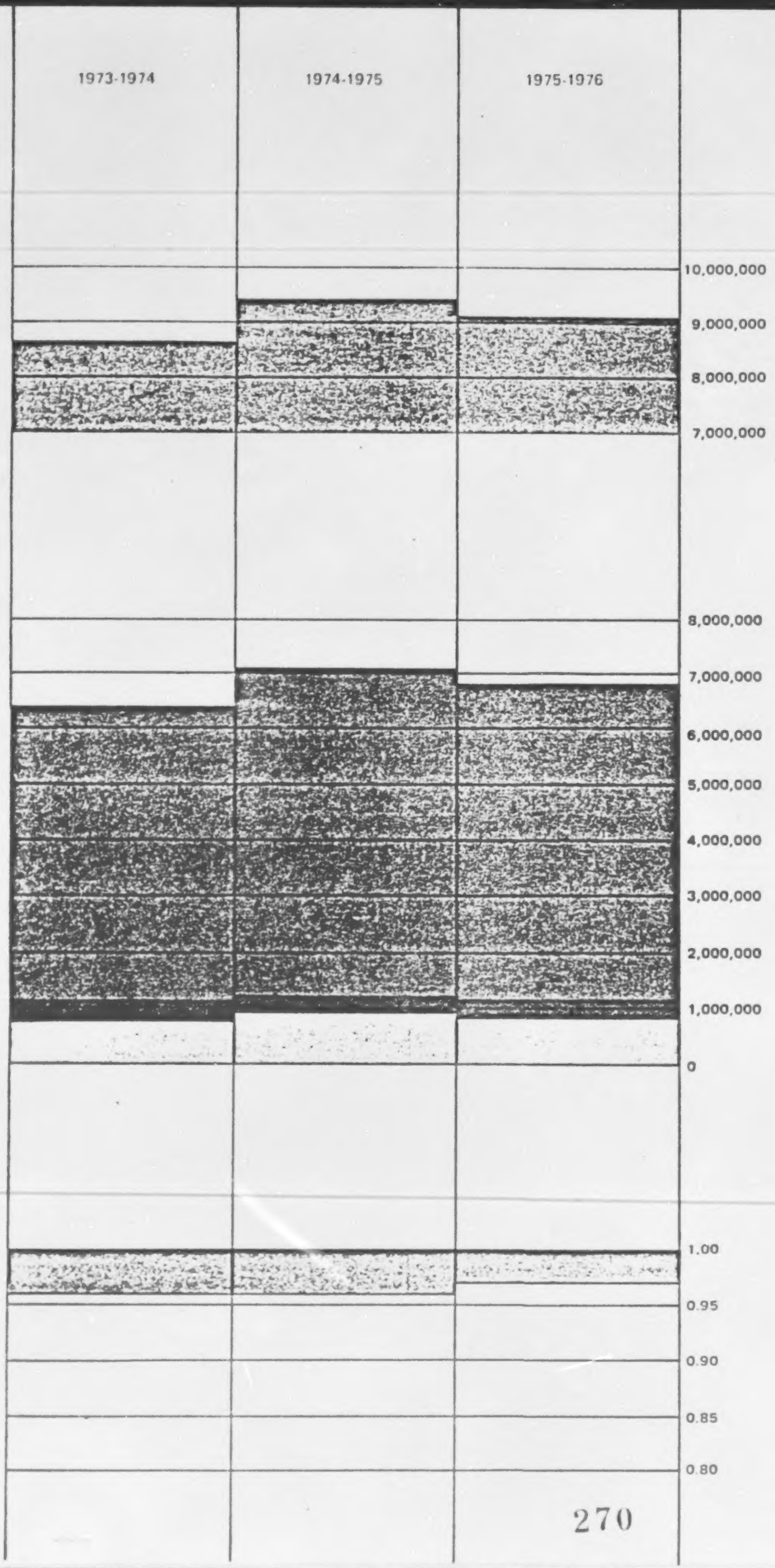
$\left(\frac{\text{Total hours worked}}{\text{Total equivalent hours paid}}\right)$

CUSTODIAL HELPERS:
WATCHMAN
TRENDS IN TOTAL HOURS 73/74–74/75–75/76 FISCAL YEARS



CUSTODIAL HELPERS:
CLEANERS

TRENDS IN TOTAL HOURS
73/74–74/75–75/76
FISCAL YEARS



TOTAL EQUIVALENT HOURS PAID

(Total hours worked adjusted for hours worked on overtime basis and hours worked on shift differential basis)

▨ Regular

■ Part-time

☐ Casual

TOTAL HOURS WORKED

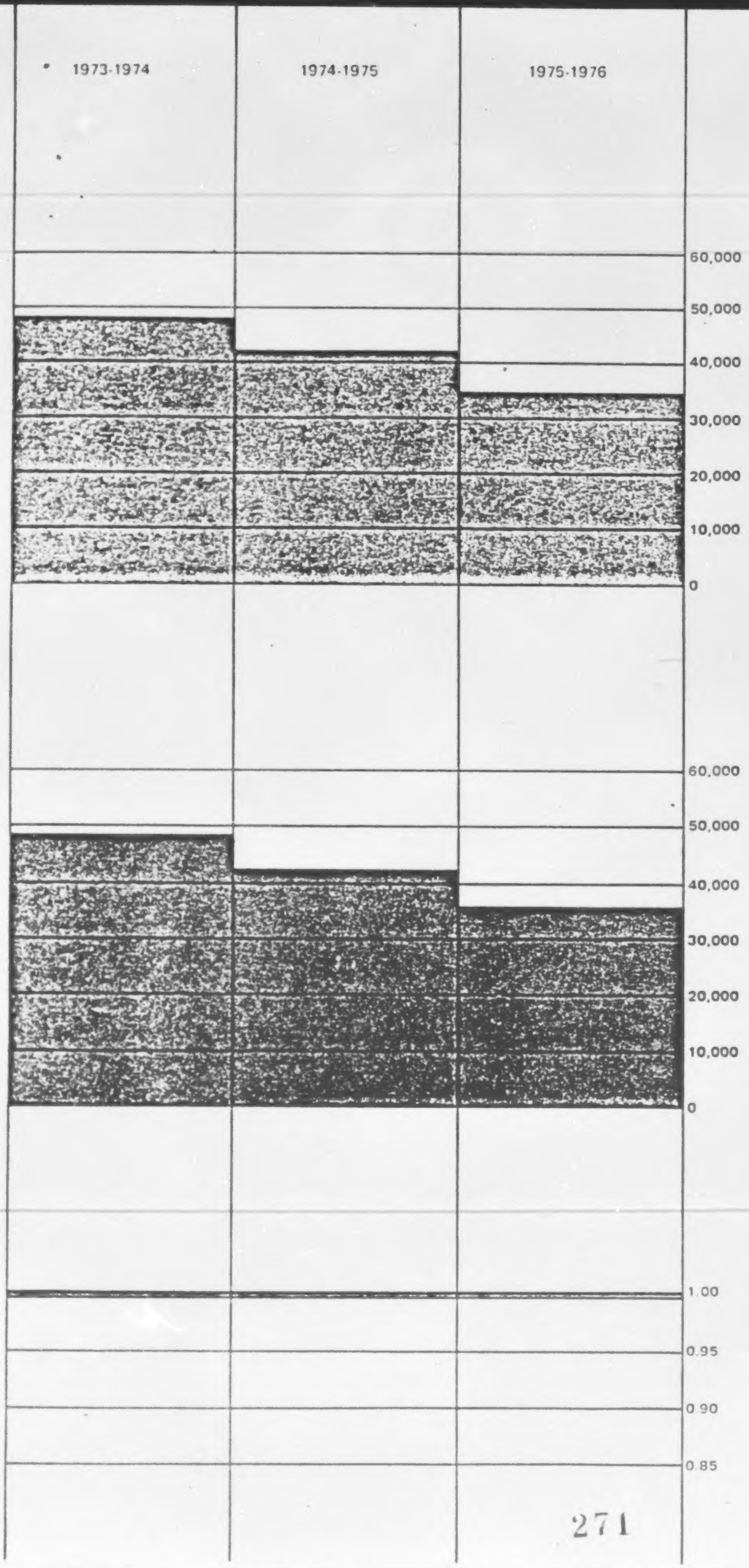
(Regular and extra-activity hours)

VALUE INDICATOR

$\left(\frac{\text{Total hours worked}}{\text{Total equivalent hours paid}}\right)$

CUSTODIAL HELPERS: LAUNDRY-BATH ATTENDANT

TRENDS IN TOTAL HOURS
73/74–74/75–75/76
FISCAL YEARS



TOTAL EQUIVALENT HOURS PAID

(Total hours worked adjusted for hours worked on overtime basis and hours worked on shift differential basis)

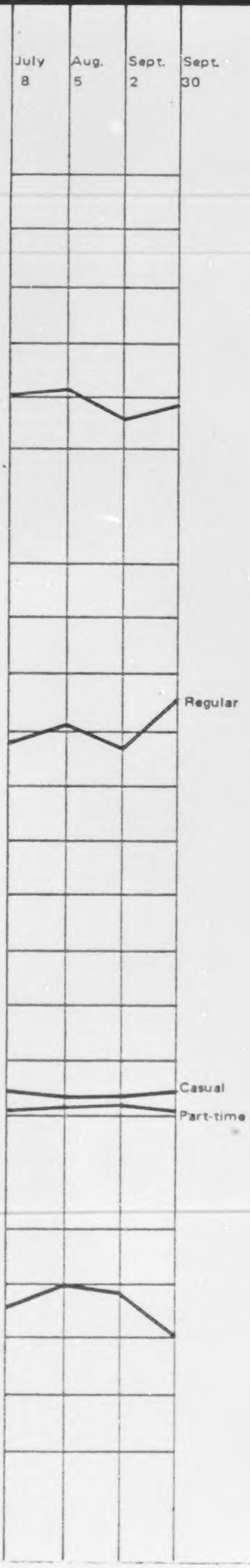
- ▨ Regular
- ▨ Part-time
- ☐ Casual

TOTAL HOURS WORKED

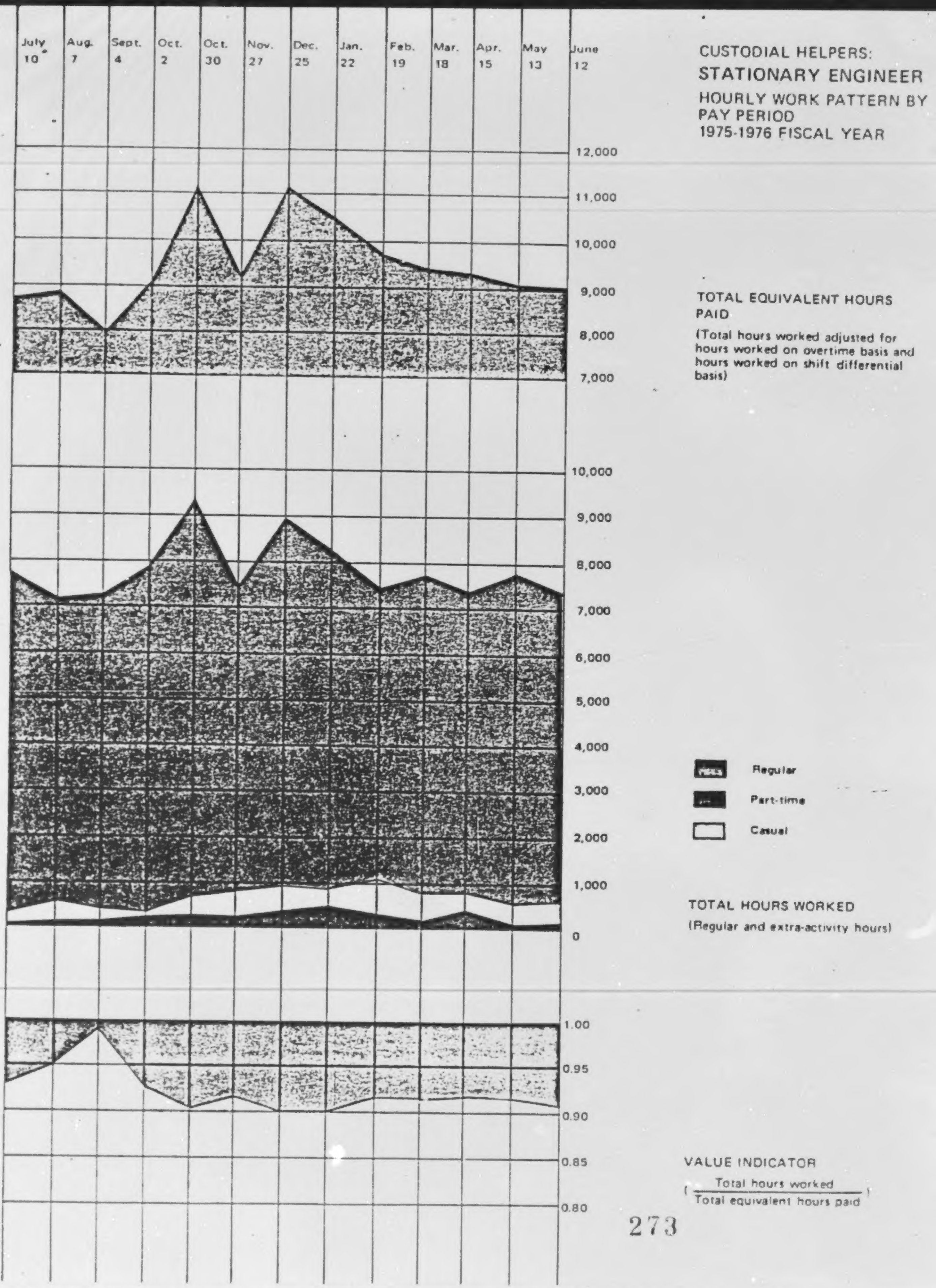
(Regular and extra-activity hours)

VALUE INDICATOR

$\left(\frac{\text{Total hours worked}}{\text{Total equivalent hours paid}}\right)$



1976-1977 FISCAL YEAR



CUSTODIAL HELPERS:
STATIONARY ENGINEER
HOURLY WORK PATTERN BY PAY PERIOD
1975-1976 FISCAL YEAR

TOTAL EQUIVALENT HOURS PAID

(Total hours worked adjusted for hours worked on overtime basis and hours worked on shift differential basis)

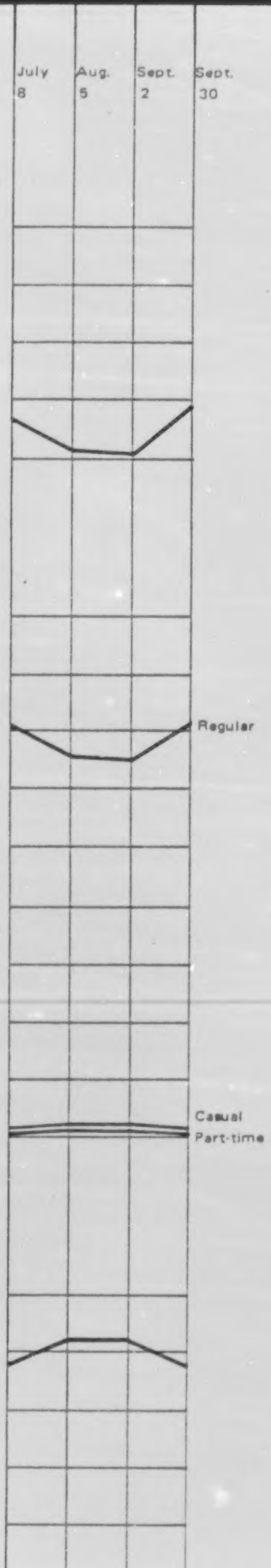
TOTAL HOURS WORKED

(Regular and extra-activity hours)

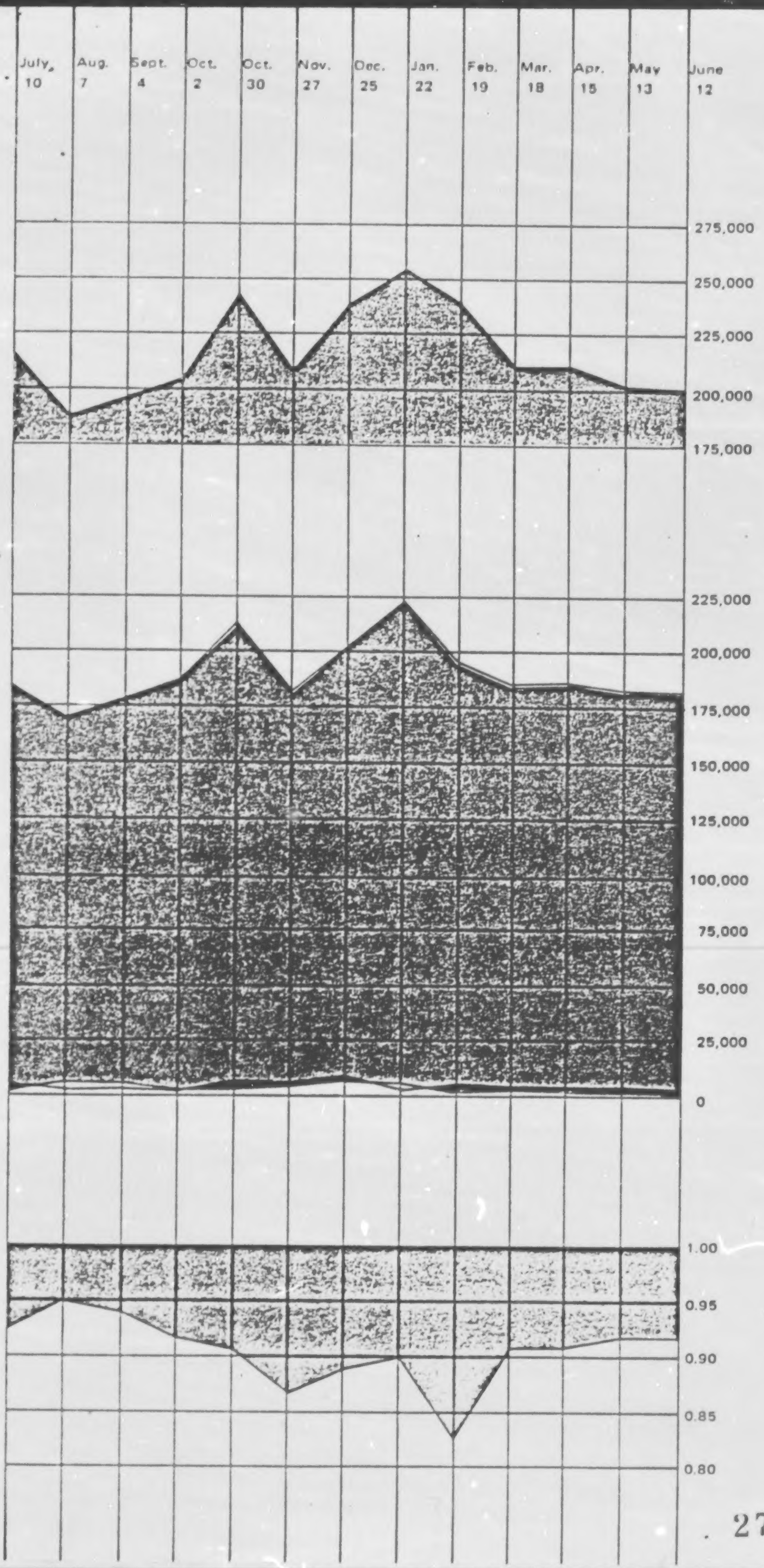
VALUE INDICATOR

$\left(\frac{\text{Total hours worked}}{\text{Total equivalent hours paid}}\right)$

1976-1977 FISCAL YEAR



CUSTODIAL HELPERS:
FIREMAN (Local 94)
HOURLY WORK PATTERN BY PAY PERIOD 1975-1976 FISCAL YEAR



TOTAL EQUIVALENT HOURS PAID

(Total hours worked adjusted for hours worked on overtime basis and hours worked on shift differential basis)

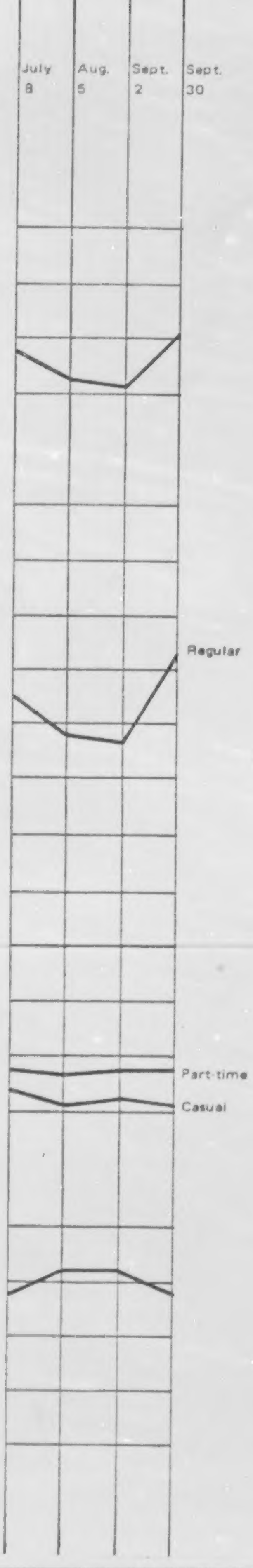
TOTAL HOURS WORKED

(Regular and extra-activity hours)

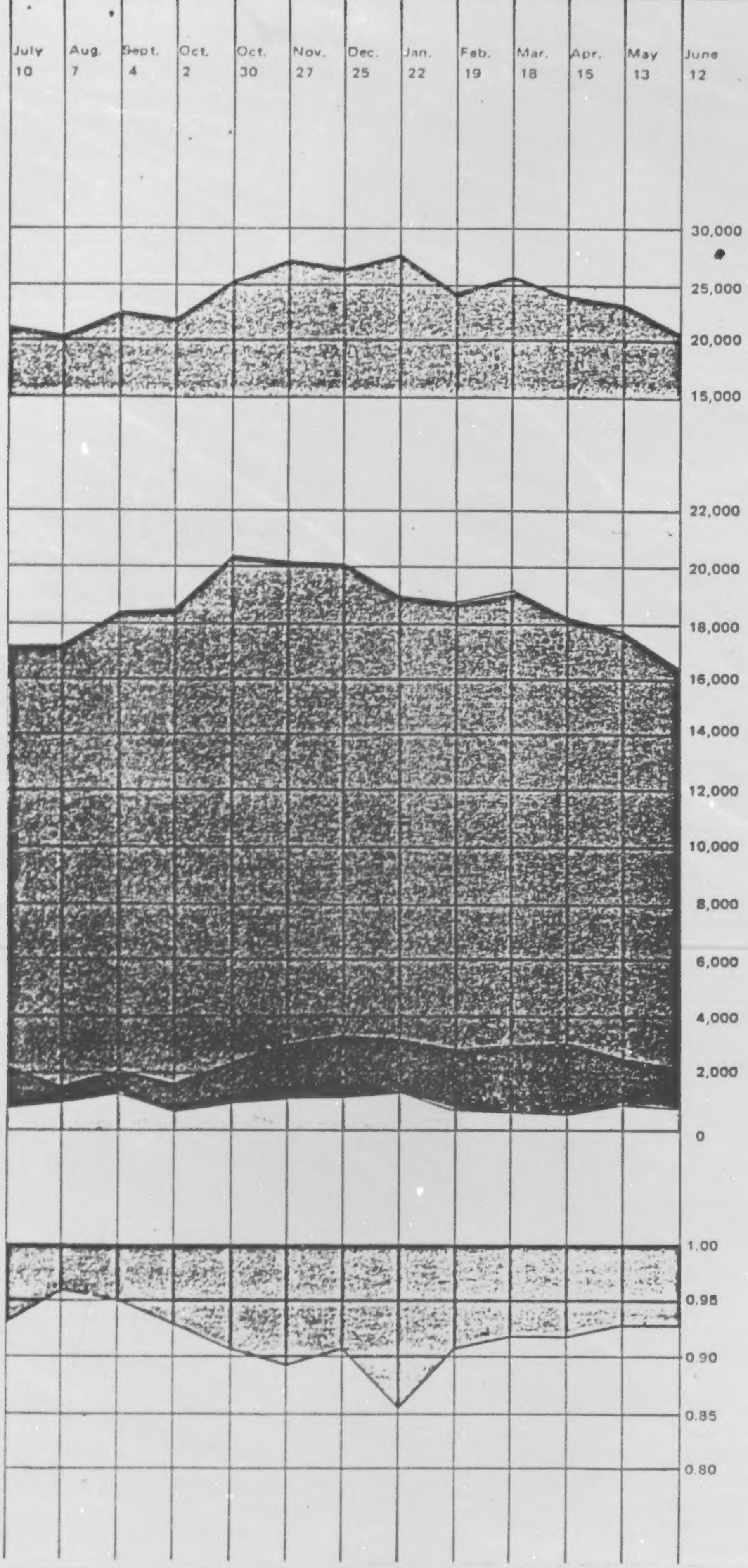
VALUE INDICATOR

$\left(\frac{\text{Total hours worked}}{\text{Total equivalent hours paid}}\right)$

1976-1977 FISCAL YEAR



CUSTODIAL HELPERS:
FIREMAN (Local 74)
HOURLY WORK PATTERN BY PAY PERIOD
1975-1976 FISCAL YEAR



TOTAL EQUIVALENT HOURS PAID

(Total hours worked adjusted for hours worked on overtime basis and hours worked on shift differential basis)

▨ Regular

■ Part-time

☐ Casual

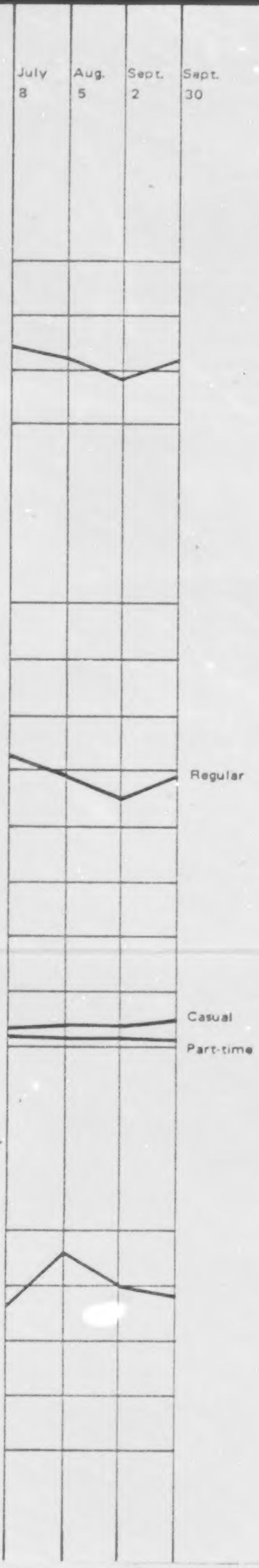
TOTAL HOURS WORKED

(Regular and extra-activity hours)

VALUE INDICATOR

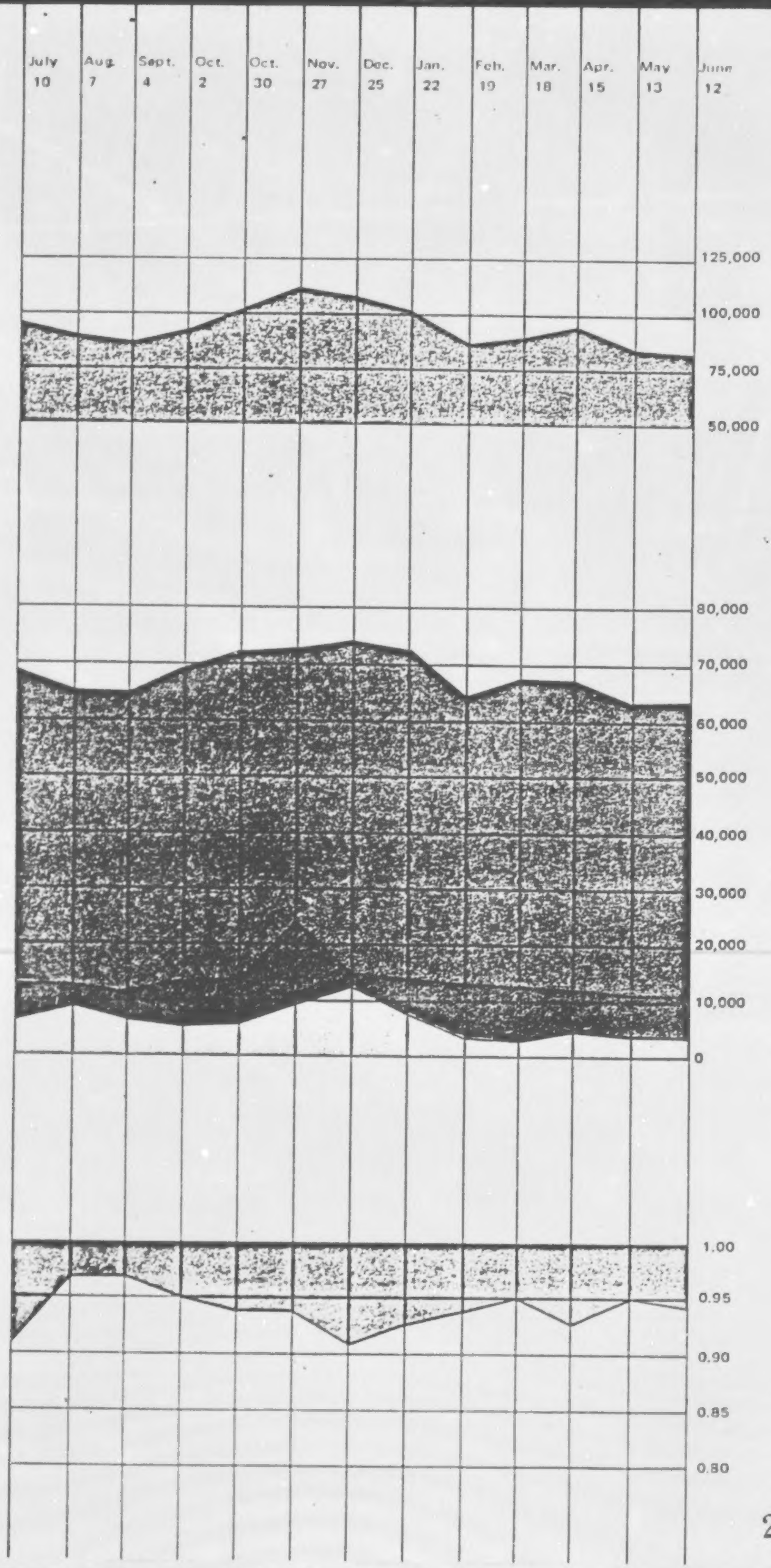
$\left(\frac{\text{Total hours worked}}{\text{Total equivalent hours paid}}\right)$

1976-1977 FISCAL YEAR



CUSTODIAL HELPERS: HANDYMAN

HOURLY WORK PATTERN BY PAY PERIOD
1975-1976 FISCAL YEAR



TOTAL EQUIVALENT HOURS PAID

(Total hours worked adjusted for hours worked on overtime basis and hours worked on shift differential basis)

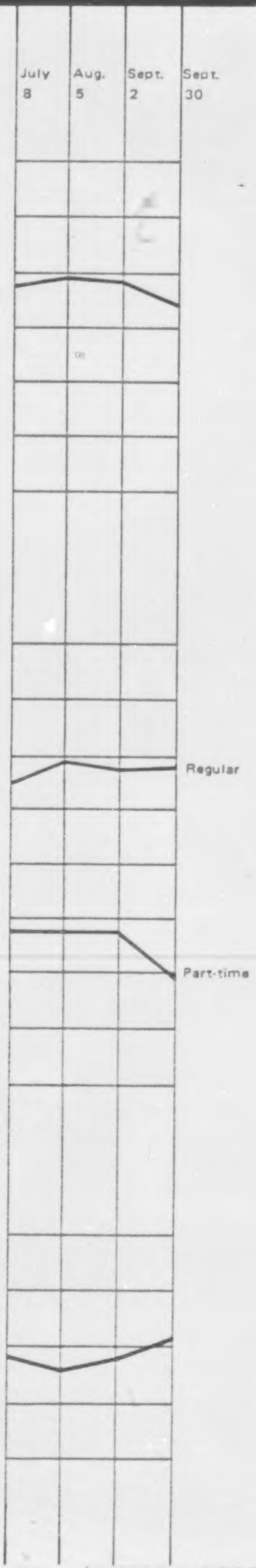
TOTAL HOURS WORKED

(Regular and extra-activity hours)

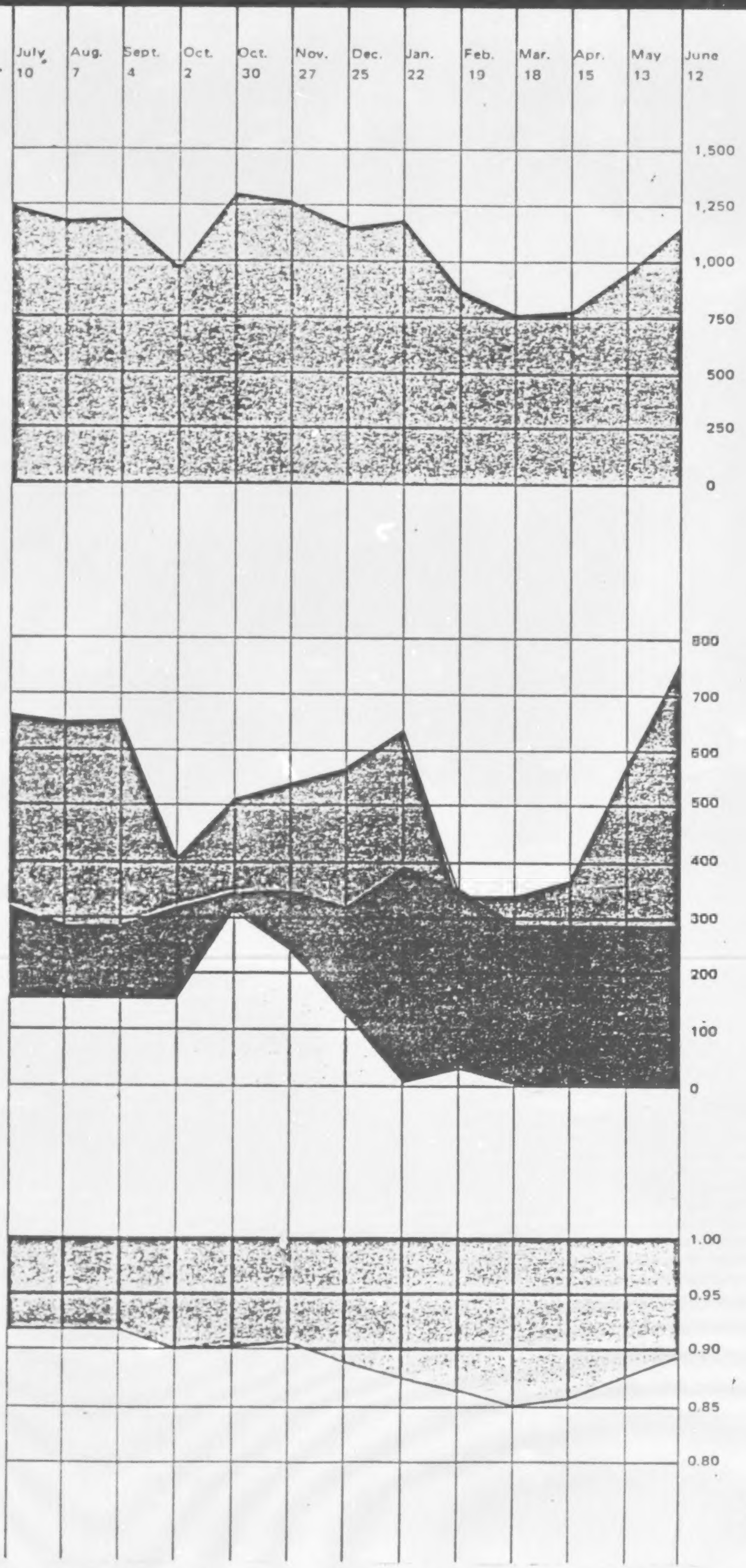
VALUE INDICATOR

$\left(\frac{\text{Total hours worked}}{\text{Total equivalent hours paid}} \right)$

1976-1977 FISCAL YEAR



CUSTODIAL HELPERS:
COAL PASSER
HOURLY WORK PATTERN BY PAY PERIOD
1975-1976 FISCAL YEAR



TOTAL EQUIVALENT HOURS PAID

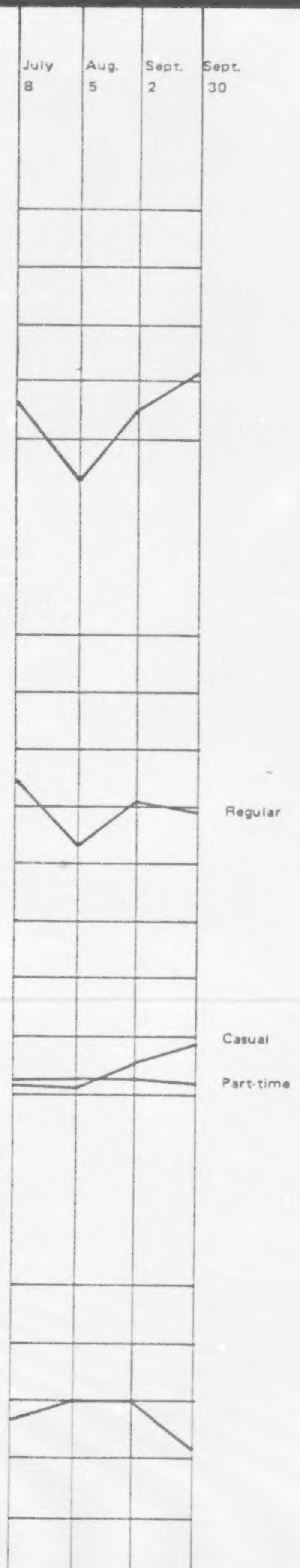
(Total hours worked adjusted for hours worked on overtime basis and hours worked on shift differential basis)

TOTAL HOURS WORKED

(Regular and extra-activity hours)

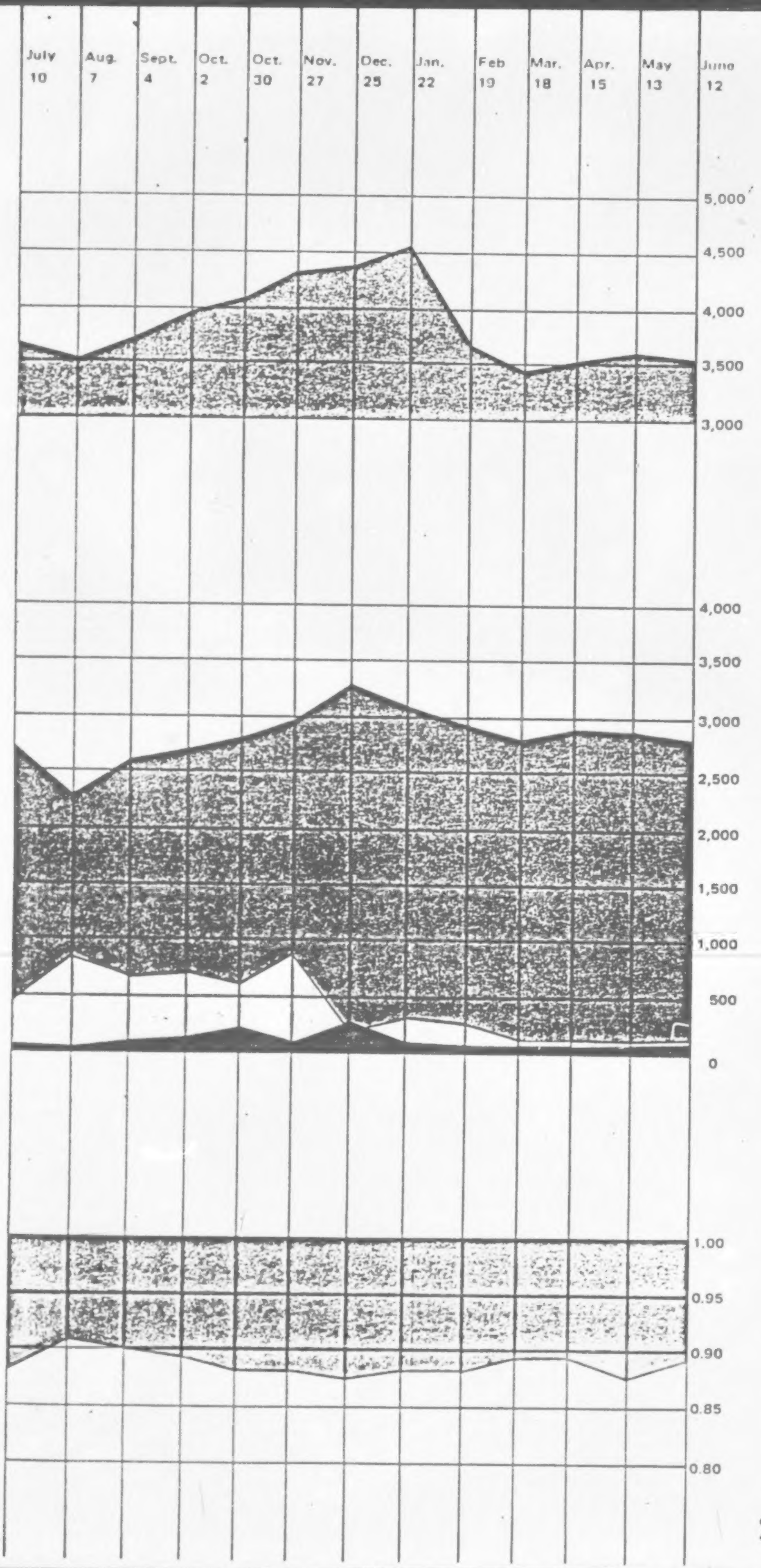
VALUE INDICATOR

$\left(\frac{\text{Total hours worked}}{\text{Total equivalent hours paid}} \right)$



1976-1977 FISCAL YEAR

CUSTODIAL HELPERS:
WATCHMAN
HOURLY WORK PATTERN BY PAY PERIOD
1975-1976 FISCAL YEAR



TOTAL EQUIVALENT HOURS PAID

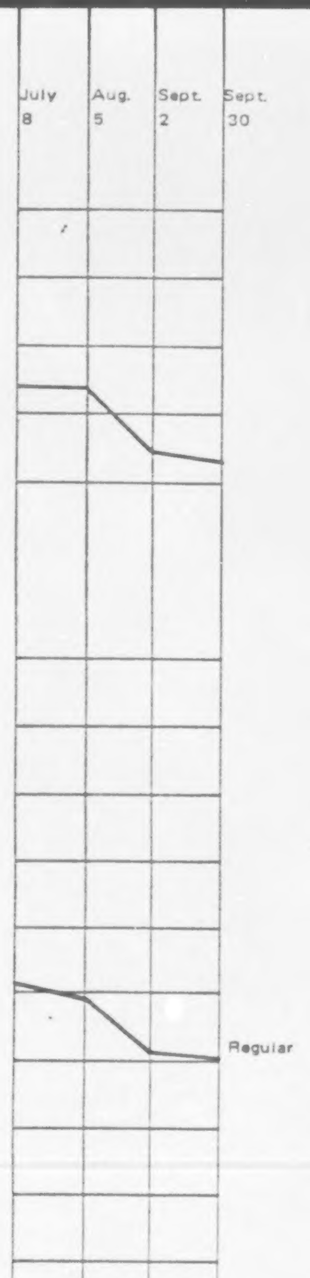
(Total hours worked adjusted for hours worked on overtime basis and hours worked on shift differential basis)

TOTAL HOURS WORKED

(Regular and extra-activity hours)

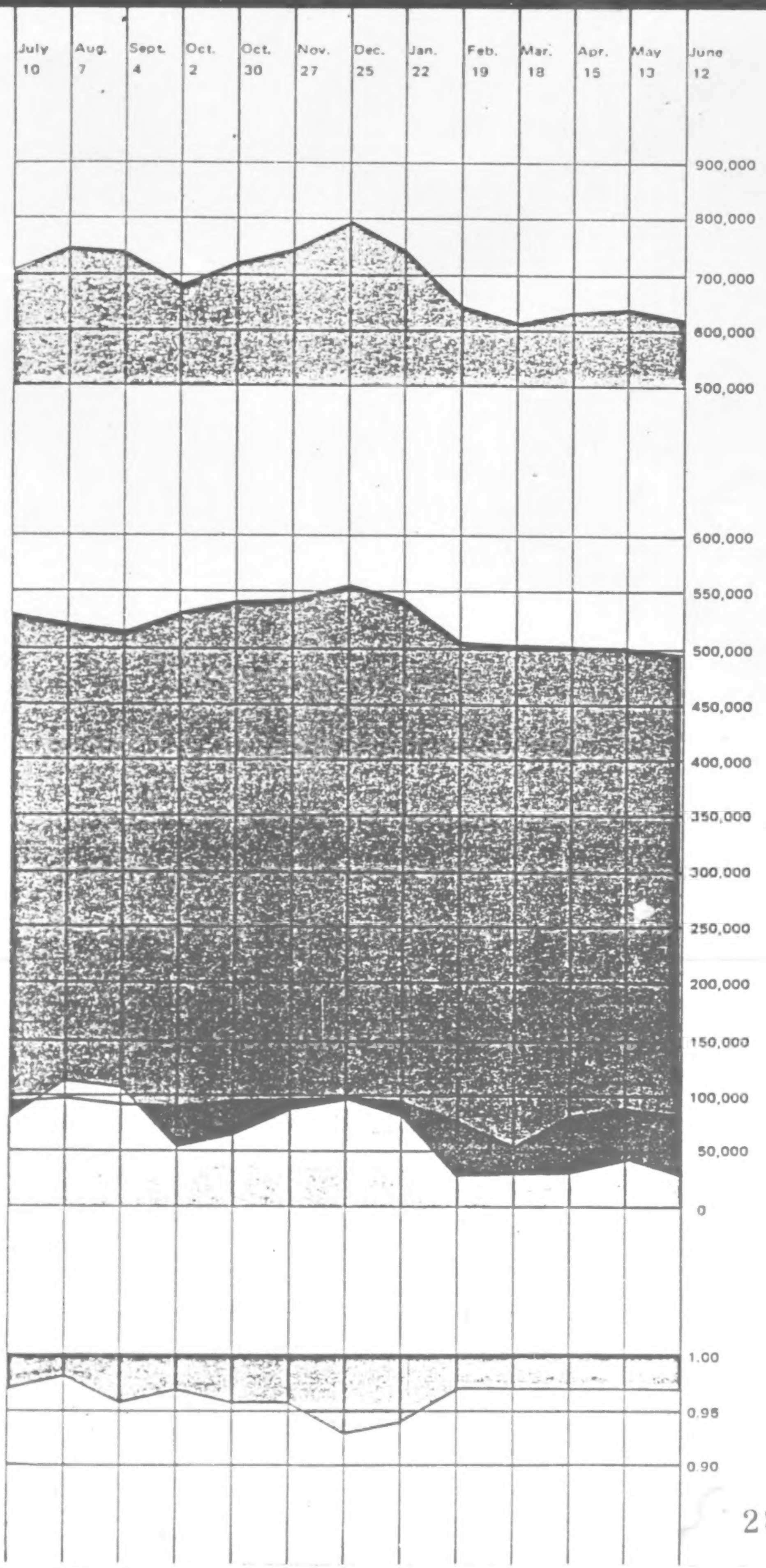
VALUE INDICATOR

$\left(\frac{\text{Total hours worked}}{\text{Total equivalent hours paid}}\right)$



1976-1977 FISCAL YEAR

CUSTODIAL HELPERS:
CLEANERS
HOURLY WORK PATTERN BY PAY PERIOD
1975-1976 FISCAL YEAR



TOTAL EQUIVALENT HOURS PAID

(Total hours worked adjusted for hours worked on overtime basis and hours worked on shift differential basis)

▨ Regular

■ Part-time

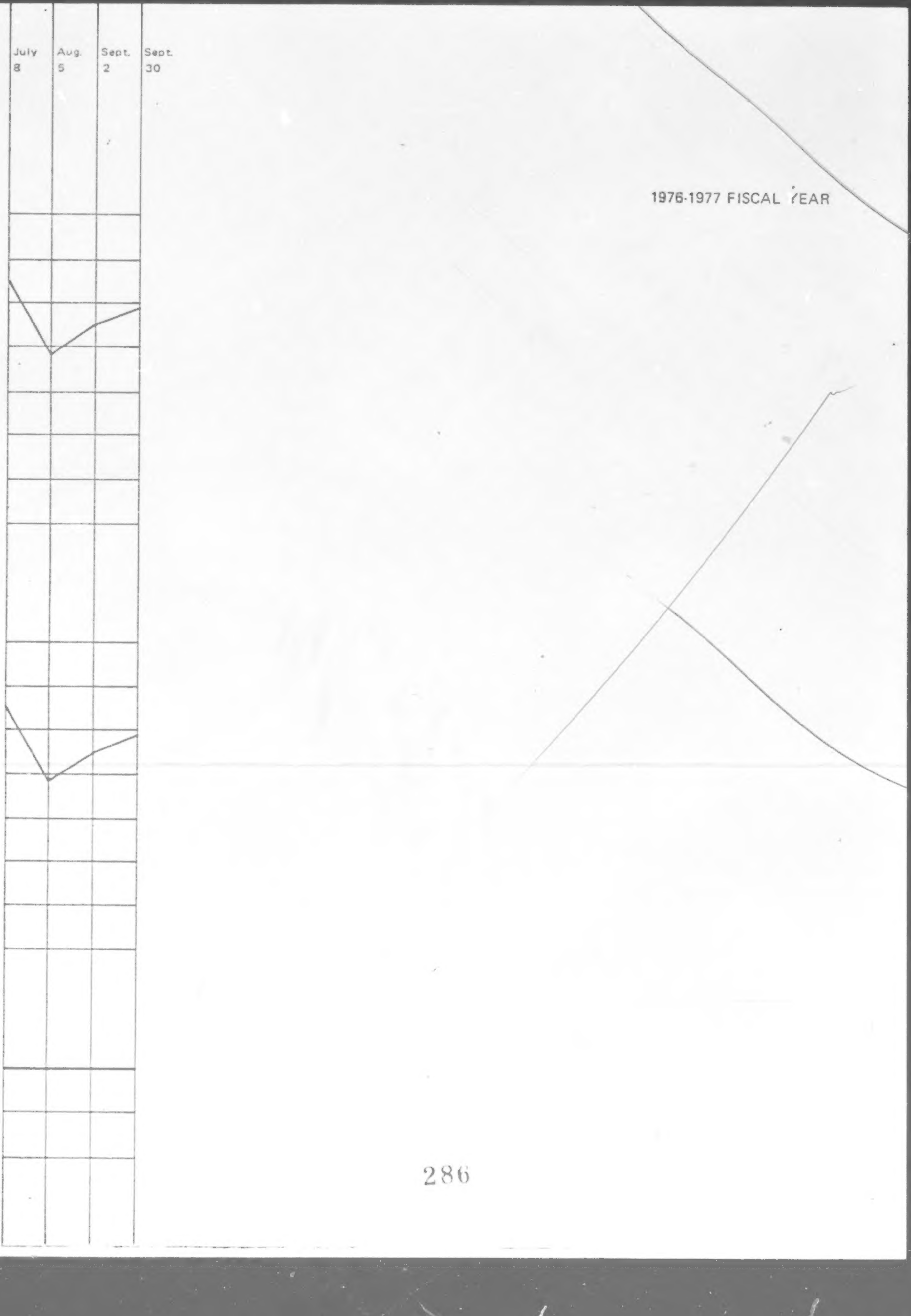
☐ Casual

TOTAL HOURS WORKED

(Regular and extra-activity hours)

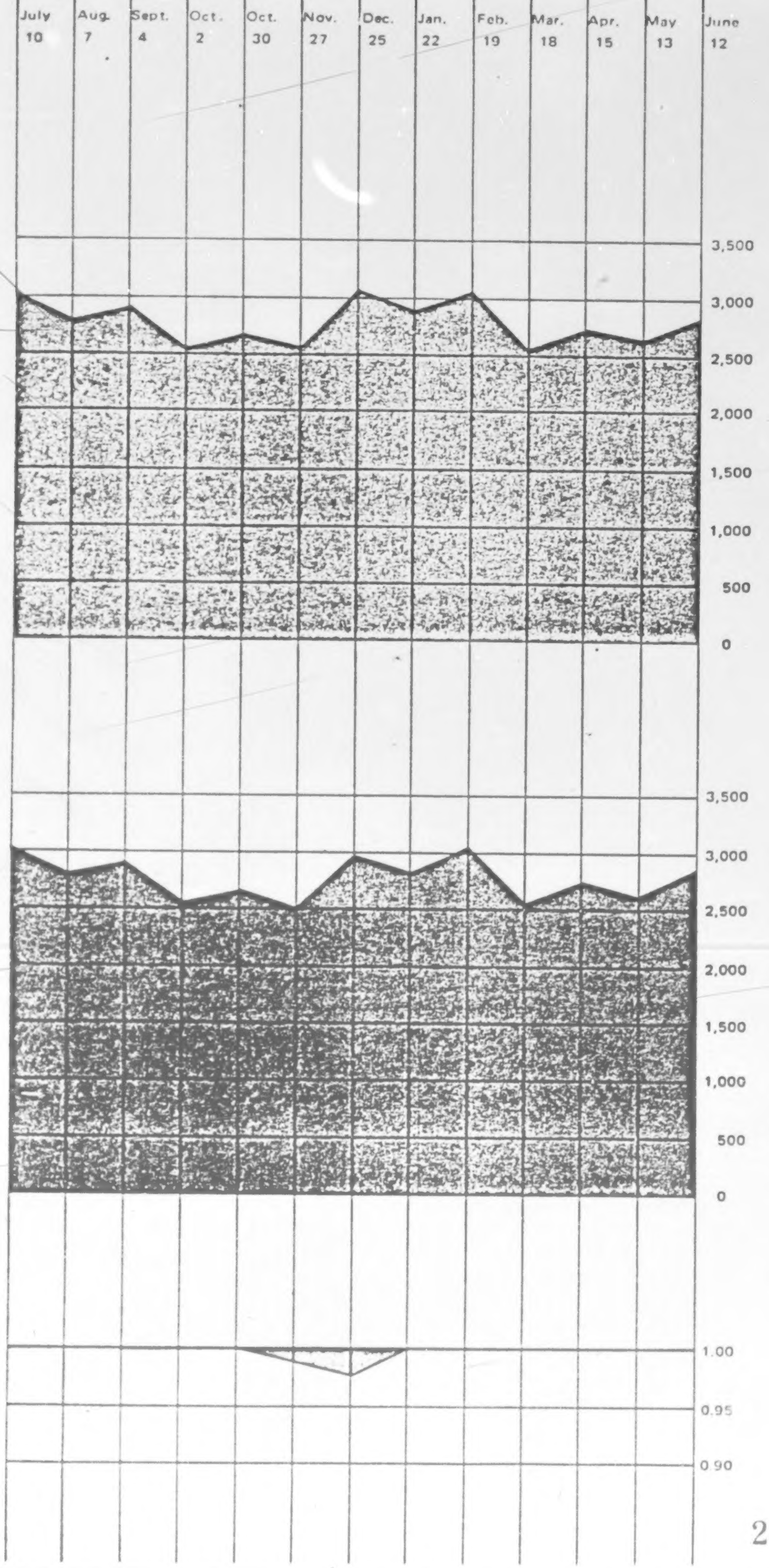
VALUE INDICATOR

$\left(\frac{\text{Total hours worked}}{\text{Total equivalent hours paid}} \right)$


July 8
Aug. 5
Sept. 2
Sept. 30
1976-1977 FISCAL YEAR

CUSTODIAL HELPERS: LAUNDRY-BATH ATTENDANT

HOURLY WORK PATTERN BY PAY PERIOD
1975-1976 FISCAL YEAR



TOTAL EQUIVALENT HOURS PAID

(Total hours worked adjusted for hours worked on overtime basis and hours worked on shift differential basis)

▨ Regular

▩ Part-time

☐ Casual

TOTAL HOURS WORKED

(Regular and extra-activity hours)

VALUE INDICATOR

$\left(\frac{\text{Total hours worked}}{\text{Total equivalent hours paid}}\right)$

APPENDIX: 12

THREE-YEAR COMPARISON OF EXPENDITURES AND APPROPRIATIONS BY THE DIVISION OF SCHOOL BUILDINGS (NON-CUSTODIAL FUNCTIONS) FOR 74/75 - 75/76 - 76/77 FISCAL PERIODS

APPENDIX: 12

THREE-YEAR COMPARISON OF EXPENDITURES AND APPROPRIATIONS BY THE DIVISION OF SCHOOL BUILDINGS (NON-CUSTODIAL FUNCTIONS) FOR 74/75 - 75/76 - 76/77 FISCAL PERIODS

The relationship that exists between the Bureau of Plant Operation and the Bureau of Maintenance with respect to custodial services is discussed in this report. A three year budget summary,* for the Division of School Buildings which includes the two Bureaus mentioned is also presented here. The summary for the Bureau of Plant Operation does not include the budget for custodial services, which was summarized and presented in Appendix: 4.

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*This report was prepared for the Office of Deputy Chancellor on October 19, 1976 by the Office of Budget Operations and Review.

THREE YEAR COMPARISON OF EXPENDITURES AND APPROPRIATIONS FOR DIVISION OF SCHOOL BUILDINGS

(Non-Custodial Functions)

Attached are charts with detailed data on School Buildings for the past three fiscal years.

Fiscal Year 1974/75

(A) Overall School Buildings costs for F.Y. 1974/75 ran a surplus of $1,134,293.

(B) The final budget for 1974/75 increased by $6,898,090 over the adopted 1974/75 budget (an increase of 10.6%). The increase in funds was provided by (1) a lump sum of $1.3 Million to meet increased fuel prices and services requirements, (2) surplus health insurance funds in the amount of $3.0 Million to cover fuel deficits, (3) multiple other adjustments in the amount of $2.5 Million.

Fiscal Year 1975/76

(A) Expenditures were based on the AB of June 1976. No future date can currently be given for determining the final costs incurred in 1975/76.

(B) Using the June AB as a base, there is a tentative surplus of $19,054,208. This amount will change when additional costs are reflected in future AB reports.

(C) The final 1975/76 budget showed a decrease of (-)$12,990,237 (-16.7%) over the 1975/76 adopted budget. Funding decreases resulted from Required Savings Reductions to Financial Plan Capital Fund cuts.

(D) The 1975/76 final budget decreased by (-)$7,245,081 from the 1974/75 final budget (a decrease of 10.5%).

Fiscal Year 1976/77

(A) No expenditure information is currently available for School Buildings operations.

(B) The adopted budget for 1976/77 decreased by (-)$1,514,885 over the final budget for 1975/76 (a decrease of 2.3%), mainly due to Required Savings Reductions to Financial Plan Capital Fund cuts.

(C) Through EM-43, the 1976/77 budget has increased by $541,001. This increase was a result of (1) $95,000 in increases for Managerial Titles (EM-38), (2) $127,174 of Capital Fund School Building cuts applied to fringe benefits, (3) $129,000 in Collective Bargaining increases for Repair Shop Mechanics, (4) $190,000 in other increases.

SUMMARY OF DIVISION OF SCHOOL BUILDINGS (Non-Custodial Functions)
APPROPRIATIONS & EXPENDITURES

THREE-YEAR SUMMARY

Fiscal Year	Adopted Budget	Final Budget	Modified (1976/77) Budget	Change	Expenditures	Surplus/Deficit
1974/75	$65,171,275	$72,069,365		$ 6,898,090	$ 70,935,072	$ 1,134,293
1975/76	77,814,521	64,824,284		(-)12,990,237	45,770,076	19,054,208
1976/77	63,309,399		$ 63,850,400	541,001	Unavailable	Unavailable

1975/76 Final Budget Decreased $(-)7,245,081 over the 1974/75 Final Budget (-)10.5%
1976/77 Adopted Budget Decreased by $(-)1,514,885 over the 1975/76 Final Budget (-) 2.3%

FISCAL YEAR 1974/75

Program/Function	Adopted Budget EM-5001	Final Budget EM-322	Change	Expenditures	Surplus/Deficit
Educ. Facilities Planning	$ 1,037,336	$ 1,105,045	$ 67,709	$ 1,045,408	$ 59,637
Design & Construction	8,039,864	8,555,940	516,076	7,708,736	847,204
Oper. of Sch. Plants, Fuel Mgt. and Motor Transport	13,159,392	17,711,888	4,552,496	18,837,432	(-) 1,125,544
Maintenance	43,148,545	44,858,350	1,709,805	42,481,510	2,376,840
Administration	437,024	489,028	52,004	861,986	(-) 372,958
Accruals	(-) 650,886	(-) 650,886	-	-	(-). 650,886
Total	$ 65,171,275	$ 72,069,365	$6,898,090	$ 70,935,072	$ 1,134,293

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FISCAL YEAR 1975/76

Program/Function	Adopted Budget EM-5001	Final Budget EM-322	Change	Expenditures	Surplus/Deficit
Educ. Facilities Planning	$ 1,113,743	$ 841,158	$(-) 272,585	$ 781,197	$ 59,961
Design & Construction	8,375,385	7,393,190	(-) 982,195	6,869,855	523,335
Oper. of Sch. Plants, Fuel Mgt. and Motor Transport	14,610,115	21,045,525	6,435,410	18,895,049	2,150,476
Maintenance	44,800,799	34,851,142	(-) 9,949,657	18,689,626	16,161,516
Administration	469,768	748,558	278,790	534,349	214,209
Lump Sum - Div. of Sch. Bldgs.	8,500,000	-	-	-	-
Accruals	(-) 55,289	(-) 55,289	-	-	(-) 55,289
Total	$ 77,814,521	$ 64,824,284	$(-) 12,990,237	$45,770,076	$ 19,054,208

FISCAL YEAR 1976/77

Program/Function	Adopted Budget EM-5005	Modified Budget EM-43	Change	Expenditures	Surplus/Deficit
Educ. Facilities Planning	$ 841,568	$ -	$(-) 841,568	$ -	$ -
Design & Construction	7,393,450	7,851,178	457,728	-	-
Oper. of Sch. Plants, Fuel Mgt. and Motor Transport	22,879,270	22,882,145	2,875	-	-
Maintenance	34,660,156	33,046,394	(-)1,613,762	-	-
Administration	718,558	720,683	2,125	-	-
Required Savings Capital	$(-) 3,033,603	$ (-)500,000	$ 2,533,603	$ -	$ -
Required Savings Tax Levy	(-) 150,000	(-) 150,000	-	-	-
TOTAL	$ 63,309,399	$ 63,850,400	$ 541,001	$ -	$ -

Program/Function		FM-5001	FM-322	Change	Expenditures	Surplus/Deficit
Educational Facilities Planning						
2-30311		$ 1,037,336	$ 1,105,045	$ 67,709	$ 1,045,409	$ 59,637
	Total	$ 1,037,336	$ 1,105,045	$ 67,709	$ 1,045,408	$ 59,637
Design and Construction						
6-21311		$ 8,039,864	$ 8,555,940	$ 516,076	$ 7,708,736	$ 847,204
	Total	$ 8,039,864	$ 8,555,940	$ 516,076	$ 7,708,736	$ 847,204
Oper. of Sch. Plants, Fuel and Management						
5-32011		$ 2,738,000	$ 4,410,350	$ 1,672,350	$ 4,511,902	$(-) 101,552
6-32311		2,399,567	1,719,983	(-) 679,584	1,539,886	180,097
31-32011		8,021,825	11,581,555	3,559,730	12,784,644	(-) 1,204,089
	Total	$ 13,159,392	$ 17,711,888	$ 4,552,496	$ 18,837,432	$(-) 1,125,544
Maintenance						
5-33041		$ 1,506,465	$ 1,673,422	$ 166,957	$ 1,798,053	$(-) 124,631
5-33042		2,319,473	2,529,412	209,939	2,366,271	163,141
5-93321		565,000	565,000	-	573,114	(-) 8,114
5-93331		240,000	24,000	(-) 216,000	19,931	4,069
5-93351		4,299,750	4,299,450	-	3,909,531	390,219
6-31311		609,765	645,483	35,718	611,553	33,930
6-33041		896,800	992,915	96,115	879,300	113,615
6-33042		518,656	755,180	236,524	703,416	51,764
6-33051		1,989,522	1,831,503	(-) 158,019	1,332,427	499,076
6-33311		4,506,543	4,845,902	339,359	4,402,110	443,792
6-33321		700,000	700,000	-	797,709	(-) 97,709
30-90001		1,437,477	1,437,477	-	1,709,756	(-) 272,279
30-90101		4,172,919	4,681,280	508,361	5,466,762	(-) 785,482
30-90201		5,517,252	6,008,103	490,851	5,815,026	193,077
30-99051		5,330,400	5,330,400	-	4,600,055	730,345
30-99311		96,000	96,000	-	52,684	43,316
30-99321		1,135,000	1,135,000	-	828,316	306,684
30-99351		7,307,523	7,307,523	-	6,615,496	692,027
	Total	$ 43,148,545	$ 44,858,350	$ 1,709,805	$ 42,481,510	$ 2,376,540
Administration						
6-11311		$ 437,024	$ 489,028	$ 52,004	$ 861,986	$(-) 372,958
	Total	$ 437,024	$ 489,028	$ 52,004	$ 861,966	$(-) 372,958
Accruals						
		$(-) 650,886	$(-) 650,886	$ -	$ -	$(-) 650,886
	Net Total	$ 65,171,275	$ 72,069,365	$ 6,898,090	$ 70,935,072	$ 1,134,293

FISCAL YEAR 1975/76

Program/Function		Adopted Budget M-5005	Final Budget E4-229	Change	Expenditures	Surplus/Deficit
Educational Facilities Planning						
2-30311		$ 1,113,743	$ 841,158	$(-) 272,585	$ 781,197	$ 59,961
	Total	$ 1,113,743	$ 841,158	$(-) 272,585	$ 781,197	$ 59,961
Design and Construcution						
6-21311		$ 8,375,385	$ 7,393,190	$(-) 982,195	$ 6,869,855	$ 523,335
	Total	$ 8,375,385	$ 7,393,190	$(-) 982,195	$ 6,869,855	$ 523,335
Oper. of Sch. Plants, Fuel and Management						
5-32011		$ 3,095,650	$ 5,227,670	$ 2,132,020	$ 4,711,300	$ 516,370
6-32311		2,494,415	2,373,730	(-) 120,685	1,286,596	1,087,134
31-32011		9,020,050	13,444,125	4,424,075	12,897,153	546,972
	Total	$ 14,610,115	$ 21,045,525	$ 6,435,410	$ 18,895,049	$ 2,150,476
Maintenance						
5-33041		$ 1,685,180	$ 1,720,214	$ 35,034	$ 1,085,023	$ 635,191
5-33042		2,541,450	2,362,042	(-) 179,408	2,049,441	312,601
5-93321		565,000	565,000	-	199,809	365,191
5-93331		24,000	24,000	-	6,115	17,885
5-93351		4,299,750	2,474,750	(-) 1,825,000	1,641,322	833,428
6-31311		654,808	680,087	25,279	531,142	148,945
6-33041		985,570	820,350	(-) 165,220	585,955	234,395
6-33042		757,309	733,346	(-) 23,963	631,498	101,848
6-33051		1,831,503	1,241,503	(-) 590,000	611,958	629,545
6-33311		4,723,234	4,467,652	(-) 255,582	4,069,117	398,535
6-33321		677,700	677,700	-	314,037	363,663
30-90001		1,437,477	347,477	(-) 1,090,000	139,723	207,754
30-90101		4,717,091	4,748,163	31,072	2,095,002	2,653,161
30-90201		6,031,804	5,956,075	(-) 75,729	26,461	5,929,614
30-99051		5,330,400	330,400	(-) 5,000,000	153,243	177,057
30-99311		96,000	96,000	-	9,225	86,775
30-99321		1,135,000	1,135,000	-	345,141	789,859
30-99351		7,307,523	6,471,383	(-) 836,140	4,195,314	2,276,069
	Total	$ 44,800,799	$ 34,851,142	$(-) 9,949,657	$ 18,689,626	$ 16,161,516

DIVISION OF SCHOOL BUILDINGS (NON-CUSTODIAL FUNCTIONS) - (Cont'd.)
APPROPRIATIONS AND EXPENDITURES

FISCAL YEAR 1975/76

Program/Function	Adopted Budget EM-5005	Final Budget EM-229	Change	Expenditures	Surplus/Deficit
Administration 6-11311	$ 469,768	$ 748,558	$ 278,790	$ 534,349	$ 214,209
Total	$ 469,768	$ 748,558	$ 278,790	$ 534,349	$ 214,209
Lump Sum - Div. of Sch. Bldgs. 6-11001	$ 8,500,000	$ -	$(-) 8,500,000	$ -	$ -
Total	$ 8,500,000	$ -	$(-) 8,500,000	$ -	$ -
Accruals	$(-) 55,289	$(-) 55,289	$ -	$ -	$(-) 55,289
Net Total	$ 77,814,521	$ 64,824,284	$(-) 12,990,237	$ 45,770,076	$ 19,054,208

FISCAL YEAR 1976/77

Program/Function	Adopted Budget EM-5005	Modified Budget EM-43	Change
Educational Facilities Planning 2-30311	$ 841,568	$ -	$(-) 841,568
Total	$ 841,568	$ -	$(-) 841,568
Design and Construction 6-21311	$ 7,393,450	$ 7,851,178	$ 457,728
Total	$ 7,393,450	$ 7,851,178	$ 457,728
Oper. of Sch. Plants, Fuel and Management			
5-32011	$ 5,227,800	$ 5,227,800	$ -
6-32311	2,359,445	2,359,445	-
31-32011	15,292,025	15,294,900	2,875
Total	$ 22,879,270	$ 22,882,145	$ 2,875
Maintenance			
5-33041	$ 1,720,344	$ 1,518,773	$(-) 201,571
5-33042	2,312,549	2,346,424	33,875
5-93321	565,000	565,000	-
5-93331	24,000	24,000	-
5-93351	2,474,750	2,474,750	-
6-31311	681,737	686,101	4,364
6-33041	1,005,350	750,220	(-) 255,130
6-33042	721,838	632,348	(-) 89,490
6-33051	1,056,503	927,503	(-) 129,000
6-33311	4,468,037	4,378,907	(-) 89,130
6-33321	677,700	373,645	(-) 304,055
30-90001	337,477	337,477	-
30-90101	4,751,438	4,107,822	(-) 643,616
30-90201	5,830,650	5,890,641	59,991
30-99051	330,400	330,400	-
30-99311	96,000	96,000	-
30-99321	1,135,000	1,135,000	-
30-99351	6,471,383	6,471,383	-
Total	$ 34,660,156	$ 33,046,394	$(-) 1,613,762
Administration 6-11311	$ 718,558	$ 720,683	$ 2,125
Total	$ 718,558	$ 720,683	$ 2,125
Required Savings - Capital	$ (-) 3,033,603	$(-) 500,000	$ 2,533,603
Required Savings - Tax Levy	(-) 150,000	(-) 150,000	-
GRAND TOTAL	$ 63,309,399	$ 63,850,400	$ 541,001

DIVISION OF SCHOOL BUILDINGS

FISCAL YEAR 1974/75

Program/Function	Line or Code	Title or Description	Adopted Budget EM-5001	Final Budget EM-322	Expenditure AB Report 2/76	Surplus/Deficit
2-30311	Educational Facilities & Planning					
		Personal Services	$ 1,006,999	$ 1,063,245	$ 1,000,448	$ 62,797
	Code 100	Supplies & Materials-General	13,867	15,400	3,740	11,660
	Code 101	Printing	-	-	12,756	(-) 12,756
	Code 130	Instructional Supplies	975	1,500	1,568	(-) 68
	Code 300	Equipment - General	-	-	17	(-) 17
	Code 301	Office Furniture & Equipment	2,500	1,100	1,991	(-) 891
	Code 338	Library Books	500	500	318	182
	Code 400	Contractual Services - General	-	-	283	(-) 283
	Code 401	Postage	20	20	1	19
	Code 403	Office Supplies	450	400	558	(-) 158
	Code 404	Carfare,Trav.Exp.,Mil.-All Inclusive	300	350	578	(-) 228
	Code 405	Travel Exp. Out of City	820	350	264	86
	Code 412	Rental of Miscellaneous Equipment	8,280	13,280	14,513	(-) 1,233
	Code 419	Prof. Tech. & Consult. Svces.	2,400	8,900	8,231	669
	Code 490	Special Services	225	-	92	(-) 92
	Code 498	Tuition Expenses	-	-	30	(-) 30
		OTPS - Total	$ 30,337	$ 41,800	$ 44,960	$(-) 3,160
		Function Total	$ 1,037,336	$ 1,105,045	$ 1,045,408	$ 59,637
		PROGRAM TOTAL	$ 1,037,336	$ 1,105,045	$ 1,045,408	$ 59,637
5-32011	Operation of School Plants, Fuel Management & Motor Transp.					
		Personal Service - Total	$ 183,300	$ 224,400	$ 196,705	$ 27,695
	Code 402	Telephone & Others	-	-	9	(-) 9
	Code 404	Carfare, Traveling Exp.	-	-	89	(-) 89
	Code 337	Textbooks	-	-	23	(-) 23
	Code 338	Library Books	-	-	324	(-) 324
	Code 400	Contractual Services	-	-	7,500	(-) 7,500
	Code 100	Supplies & Materials - General	-	-	1,795	(-) 1,795
	Code 101	Printing	-	-	152	(-) 152
	Code 109	Fuel Supplies	2,210,110	3,841,360	4,123,129	(-) 281,769
	Code 169	Bldg. & Maintenance Supplies	344,590	344,590	175,464	169,126
	Code 111	Audio-Visual Supplies	-	-	135	(-) 135
	Code 130	Instructional Supplies	-	-	1,412	(-) 1,412
	Code 300	Equipment - General	-	-	4,331	(-) 4,331
	Code 330	Instructional Equipment	-	-	834	(-) 834
		OTPS - Total	$ 2,554,700	$ 4,185,950	$ 4,315,197	$(-) 129,247
		Function Total	$ 2,738,000	$ 4,410,350	$ 4,511,902	$(-) 101,552
5-33041	Repair Shop					
		Personal Service - Total	$ 810,065	$ 877,022	$ 829,932	$ 47,090
	Code 100	Supplies & Materials	-	-	$ 1,290	$(-) 1,290
	Code 130	Instructional Supplies	-	-	1,940	(-) 1,940
	Code 187	Kitchen Utensils	-	-	79	(-) 79
	Code 300	Equipment - General	-	-	65,703	(-) 65,703
	Code 305	Motor Vehicle Equipment	-	-	1,491	(-) 1,491
	Code 169	Bldg. & Maintenance Supplies	594,650	679,650	842,493	(-) 162,843
	Code 403	Office Services	101,750	116,750	55,125	61,625
		OTPS - Total	$ 696,400	$ 796,400	$ 968,121	$(-) 171,721
		Function Total	$ 1,506,465	$ 1,673,422	$ 1,798,053	$(-) 124,631
5-33042	Wages - Repair Shop Mechanics					
		Personal Service - Total	$ 2,319,473	$ 2,529,412	$ 2,366,271	$ 163,141
		Function Total	$ 2,319,473	$ 2,529,412	$ 2,366,271	$ 163,141

(Non-Custodial Functions)

DIVISION OF SCHOOL BUILDINGS

FISCAL YEAR 1974/75

Program/Function	Line or Code	Title or Description	Adopted Budget EM-5001	Final Budget EM-322 /	Expenditure AB Report 2/76	Surplus/Deficit
5-93321	Bureau of Maintenance - Furniture Procurement					
	Code 100	Supplies & Materials	$ -	$ -	$ 3,464	$(-) 3,464
	Code 101	Painting	-	-	74	(-) 74
	Code 111	Audio Visual Supplies	-	-	217	(-) 217
	Code 130	Instructional Supplies	-	-	1,933	(-) 1,933
	Code 169	Building and Maintenance	-	-	2,131	(-) 2,131
	Code 300	Equipment - General	-	-	10,584	(-) 10,584
	Code 337	Textbooks	-	-	1,565	(-) 1,565
	Code 338	Library Books	-	-	202	(-) 202
	Code 369	Food Service Equipment	-	-	443	(-) 443
	Code 400	Contractual Service	-	-	3,113	(-) 3,113
	Code 403	Office Services	-	-	12,946	(-) 12,946
	Code 408	Repairs - General	-	-	16,534	(-) 16,534
	Code 412	Rental of Miscellaneous Equipment	-	-	120	(-) 120
	Code 301	Office Furniture & Equipment	110,000	110,000	207,350	(-) 97,350
	Code 330	Instructional Equipment	455,000	455,000	312,438	142,562
		OTPS - Total	$ 565,000	$ 565,000	$ 573,114	$(-) 8,114
		Function Total	$ 565,000	$ 565,000	573,114	$(-) 8,114
5-93331	Bureau of Maintenance - Minor Improvements & Repair					
	Code 169	Building & Maintenance	$ -	$ -	$ 44	$(-) 44
	Code 301	Office Furniture	-	-	1,015	(-) 1,015
	Code 305	Motor Vehicle Equipment	-	-	4,309	(-) 4,309
	Code 300	Equipment - General	120,000	12,000	7,501	4,499
	Code 330	Instructional Equipment	120,000	12,000	7,062	4,938
		OTPS - Total	$ 240,000	$ 24,000	$ 19,931	$ 4,069
		Function Total	$ 240,000	$ 24,000	$ 19,931	$ 4,069
5-93351	Bureau of Maintenance - Contract Maintenance Program					
	Code 301	Office Furniture & Equipment	$ -	$ -	$ 364	$(-) 364
	Code 330	Instructional Equipment	-	-	1,616	(-) 1,616
	Code 400	Contractual Services	-	-	401	(-) 401
	Code 405	Travel Expenses - Out of City	-	-	200	(-) 200
	Code 408	Repairs - General	4,299,750	4,299,750	3,906,950	392,800
		OTPS - Total	$ 4,299,750	$ 4,299,750	$ 3,909,531	$ 390,219
		Function Total	$ 4,299,750	$ 4,299,750	$ 3,909,531	$ 390,219
		PROGRAM TOTAL	$ 11,668,691	$ 13,501,934	$ 13,178,802	$ 323,132

FISCAL YEAR 1974-1975

Program/Function	Code	Title or Description	Adopted Budget FM-5001	Final Budget FM-322	Expenditure AB Report	Surplus/Deficit
6-11311		Executive Director				
		Personal Service - Total	$ 157,724	$ 159,728	$ 159,693	$ 35
	101	Printing	-	-	36,618	(-) 36,618
	169	Building & Maintenance	-	-	401	(-) 401
	300	Equipment - General	-	-	75	(-) 75
	490	Special Services	-	-	136,716	(-) 136,716
	498	Tuition Expenses	-	-	175	(-) 175
	100	Supplies & Materials - General	76,900	76,900	68,832	8,068
	130	Instructional Supplies	2,000	2,000	38,166	(-) 36,166
	301	Office Furniture & Equipment	4,500	4,500	3,179	1,321
	400	Contractual Services - General	7,750	7,750	914	6,836
	401	Postage	43,900	43,900	50,460	(-) 6,560
	402	Telephone & Other Communications	60,500	110,500	96,297	14,203
	403	Office Services	8,000	8,000	59,824	(-) 51,824
	404	Carfare - Travel Expenses, Mileage Allowance - Local	65,000	65,000	203,767	(-) 138,767
	405	Travel Expenses - Out of City	2,000	2,000	1,262	738
	412	Rental of Miscellaneous Equipment	8,750	8,750	5,607	3,143
		OTPS - Total	$ 279,300	$ 329,300	$ 702,293	$(-) 372,993
		Function Total	$ 437,024	$ 489,028	$ 861,986	$(-) 372,958
6-21311		Design and Construction				
		Personal Service Total	$ 8,039,864	$ 8,555,940	$ 7,703,082	$ 852,858
	337	Textbooks	-	-	29	(-) 29
	419	Professional, Technical	-	-	5,625	(-) 5,625
		OTPS - Total	$ -	$ -	$ 5,654	$(-) 5,654
		Function Total	$ 8,039,864	$ 8,555,940	$ 7,708,736	$ 847,204
6-31311		Plant Operations & Maintenance				
		Personal Service - Total	$ 609,765	$ 645,483	$ 535,330	$ 110,153
	100	Supplies and Materials	-	-	2,597	(-) 2,597
	301	Office Furniture & Equipment	-	-	-	-
	330	Instructional Equipment	-	-	1,362	(-) 1,362
	400	Contractual Services	-	-	68	(-) 68
	402	Telephone and Other Communications	-	-	13	(-) 13
	404	Carfare - Travel Expenses, Mileage Allowance - Local	-	-	20,251	(-) 20,251
	405	Travel Expenses - Out of City	-	-	19	(-) 19
	423	Heat, Light and Power	-	-	51,660	(-) 51,660
	490	Special Services	-	-	253	(-) 253
		OTPS - Total	$ -	$ -	$ 76,223	$(-) 76,223
		Function Total	$ 609,765	$ 645,483	$ 611,553	$ 33,930
6-32311		Operations of School Plants, Fuel Management & Motor Transport				
		Personal Service - Total	$ 626,767	$ 671,933	$ 573,660	$ 98,273
	100	Supplies & Materials - General	-	-	881	(-) 881
	101	Printing	-	-	70	(-) 70
	130	Instructional Supplies	-	-	1,010	(-) 1,010
	187	Kitchen Utensils	-	-	12	(-) 12
	301	Office Furniture & Equipment	-	-	77	(-) 77
	330	Instructional Equipment	-	-	65	(-) 65
	400	Contractual Services	-	-	383	(-) 383
	403	Office Services	-	-	10,398	(-) 10,398
	105	Automotive Supplies & Materials	55,000	60,000	28,010	31,990
	109	Fuel Supplies	955,325	221,575	208,371	13,204
	169	Building & Maintenance Supplies	519,475	523,475	522,827	648
	300	Equipment - General	30,000	30,000	9,367	20,633
	305	Motor Vehicle Equipment	60,000	60,000	52,114	7,886
	407	Repairs to Motor Vehicles	20,000	20,000	6,857	13,143
	412	Rental of Miscellaneous Equipment	111,000	111,000	125,784	(-) 14,784
	423	Heat, Light and Power	22,000	22,000	-	22,000
		OTPS - Total	$ 1,772,800	$ 1,048,050	$ 966,226	$ 81,824
		Function Total	$ 2,399,567	$ 1,719,983	$ 1,539,886	$ 180,097
6-33041		Repair Shops				
		Personal Service - Total	$ 331,800	$ 352,915	$ 318,132	$ 34,783
	100	Supplies & Materials - General	-	-	17,129	(-) 17,129
	130	Instructional Supplies	-	-	392	(-) 392
	300	Equipment - General	-	-	252	(-) 252
	301	Office Furniture & Equipment	-	-	200	(-) 200
	169	Building & Maintenance Supplies	510,500	574,500	477,699	96,801
	403	Office Services	54,500	65,500	65,496	4
		OTPS - Total	$ 565,000	$ 640,000	$ 561,168	$ 78,832
		Function Total	$ 896,800	$ 992,915	$ 879,300	$ 113,615

FISCAL YEAR 1974/75

Program/Function	Line or Code	Title or Description	Adopted Budget EM-5001	Final Budget EM-322	Expenditure AB Report 2/76	Surplus/Deficit
6-33042	Wages - Repair Shops					
		Personal Service - Total	$ 518,656	$ 755,180	$ 703,416	$ 51,764
		Function Total	$ 518,656	$ 755,180	$ 703,416	$ 51,764
6-33051	Bureau of Maintenance - Contract Maintenance Program					
	Code 400	Contractual Services	$ -	$ -	$ 84	$(-) 84
	Code 408	Repairs - General	785,522	1,827,503	1,239,974	587,529
	Code 419	Prof.-Tech. & Consultant Services	4,000	4,000	87	3,913
	Code 169	Bldg. & Maintenance Supplies	1,200,000	-	92,282	(-) 92,282
		OTPS - Total	$ 1,989,522	$ 1,831,503	$ 1,332,427	$ 499,076
		Function Total	$ 1,989,522	$ 1,831,503	$ 1,332,427	$ 499,076
6-33311	Bureau of Maintenance - Administrative					
		Personal Service - Total	$ 4,506,543	$ 4,845,902	$ 4,400,912	$ 444,990
	Code 100	Supplies & Material	$ -	$ -	$ 1,198	$(-) 1,198
		OTPS - Total	$ -	$ -	$ 1,198	$(-) 1,198
		Function Total	$ 4,506,543	$ 4,845,902	$ 4,402,110	$ 443,792
6-33321	Bureau of Maintenance - Furniture Procurement Program					
	Code 100	Supplies & Materials	$ -	$ -	$ 37,763	$(-) 37,763
	Code 101	Printing	-	-	15	(-) 15
	Code 111	Audio-Visual Supplies	-	-	570	(-) 570
	Code 130	Instructional Supplies	-	-	1,893	(-) 1,893
	Code 169	Building & Maintenance Supplies	-	-	418	(-) 418
	Code 187	Kitchen Utensils	-	-	34	(-) 34
	Code 300	Equipment - General	-	-	318	(-) 318
	Code 338	Library Books	-	-	3,943	(-) 3,943
	Code 400	Contractual Services	-	-	16,601	(-) 16,601
	Code 408	Repairs - General	-	-	21,967	(-) 21,967
	Code 301	Office Furniture & Equipment	150,000	150,000	155,158	(-) 5,158
	Code 330	Instructional Equipment	550,000	550,000	559,029	(-) 9,029
		OTPS - Total	$ 700,000	$ 700,000	$ 797,709	$(-) 97,709
		Function Total	$ 700,000	$ 700,000	$ 797,709	$(-) 97,709
		PROGRAM TOTAL	$20,097,741	$ 20,535,934	$ 18,837,123	$ 1,698,811
30-90001	Minor Repair - Maintenance					
		Personal Service - Total (Lump Sum)	$ 800,000	$ -	$ -	$ -
	Code 408	Repairs - General	$ 637,477	1,437,477	$ 1,709,756	$(-) 272,279
		OTPS - Total	$ 637,477	$ 1,437,477	$ 1,709,756	$(-) 272,279
		Function Total	$ 1,437,477	$ 1,437,477	$ 1,709,756	$(-) 272,279
30-90101	Repair Shop					
		Personal Service Total	$ 2,034,419	$ 2,217,780	$ 2,062,556	$ 155,224
	Code 100	Supplies & Materials	$ -	$ -	$ 1,420	$(-) 1,420
	Code 130	Instructional Supplies			2,700	(-) 2,700
	Code 300	Equipment General	-	-	194,570	(-) 194,570
	Code 169	Building & Maintenance Supplies	1,831,750	2,106,750	3,048,923	(-) 942,173
	Code 403	Office Services	306,750	356,750	156,593	200,157
		OTPS - Total	$ 2,138,500	$ 2,463,500	$ 3,404,206	$(-) 940,706
		Function Total	$ 4,172,919	$ 4,681,280	$ 5,466,762	$(-) 785,482

Program/Function	Line or Code	Title or Description	Adopted Budget FM-5001	Final Budget FM-422	Expenditure AB Report 2/76	Surplus/Deficit
30-90201	Wages - Repair Shop - Mechanics					
		Personal Service - Total	$ 5,517,252	$ 6,008,103	$ 5,815,026	$ 193,077
		Function Total	$ 5,517,252	$ 6,008,103	$ 5,815,026	$ 193,077
30-99051	Bureau of Maintenance - Contract Maintenance					
	Code 169	Building & Maintenance	$ -	$ -	$ 198	$(-) 198
	Code 301	Office Furniture & Equipment	-	-	11,964	(-) 11,964
	Code 473	Heat, Light and Power	-	-	960	(-) 960
	Code 408	Repairs - General	5,330,400	5,330,400	4,586,933	743,467
		OTPS - Total	$ 5,330,400	$ 5,330,400	$ 4,600,055	$ 730,345
		Function Total	$ 5,330,400	$ 5,330,400	$ 4,600,055	$ 730,345
30-99311	Bureau of Maintenance - Minor Improvement					
	Code 300	Equipment - General	$ 48,000	$ 48,000	$ 12,737	$ 35,263
	Code 330	Instructional Equipment	48,000	48,000	39,947	8,053
		OTPS - Total	$ 96,000	$ 96,000	$ 52,684	$ 43,316
		Function Total	$ 96,000	$ 96,000	$ 52,684	$ 43,316
30-99321	Bureau of Maintenance - Furniture Procurement					
	Code 111	Audio-Visual	$ -	$ -	$ 465	$(-) 465
	Code 100	Supplies & Materials	-	-	6,625	(-) 6,625
	Code 101	Printing	-	-	24	(-) 24
	Code 130	Instructional Supplies	-	-	1,294	(-) 1,294
	Code 169	Building & Maintenance	-	-	35	(-) 35
	Code 408	Repairs - General	-	-	27,876	(-) 27,876
	Code 300	Equipment - General	236,394	1,110,462	114,103	996,359
	Code 301	Office Furniture	632,287	4,538	272,360	(-) 267,822
	Code 330	Instructional Equipment	266,319	20,000	393,304	(-) 373,304
	Code 337	Textbooks		-	1,190	(-) 1,190
	Code 338	Library Books	-	-	47	(-) 47
	Code 369	Food Service Equipment	-	-	6,466	(-) 6,466
	Code 407	Repairs to Motor Veh.	-	-	4,527	(-) 4,527
		OTPS - Total	$ 1,135,000	$ 1,135,000	$ 828,316	$ 306,684
		Function Total	$ 1,135,000	$ 1,135,000	$ 828,316	$ 306,684
30-99331	District Contract Repairs Program					
	Code 300	Equipment - General	$ -	$ -	$ 343	$(-) 343
	Code 301	Office Furniture	-	-	3,451	(-) 3,451
	Code 330	Instructional Equipment	-	-	13,268	(-) 13,268
	Code 400	Contractual Services	-	-	2,127	(-) 2,127
	Code 403	Office Services		-	2,466	(-) 2,466
	Code 408	Repairs - General	$ 7,307,523	7,307,523	6,593,841	713,682
		OTPS - Total	$ 7,307,523	$ 7,307,523	$ 6,615,496	$ 692,027
		Function Total	$ 7,307,523	$ 7,307,523	$ 6,615,496	$ 692,027
		PROGRAM TOTAL	$ 24,996,571	$ 25,995,783	$ 25,088,095	$ 907,688
31-32011	Operation of School Plants, Fuel Management and Motor Transport.					
		Personal Service - Total	$ 552,325	$ 680,055	$ 658,151	$ 21,904
	Code 100	Supplies & Materials	$ -	$ -	$ 260	$(-) 260
	Code 130	Instructional Supplies	-	-	9,477	(-) 9,477
	Code 187	Kitchen Utensils	-	-	-	-
	Code 300	Equipment - General	-	-	4,065	(-) 4,065
	Code 330	Instructional Equipment	-	-	-	-
	Code 400	Contractual Services			689	(-) 689
	Code 109	Fuel Supplies	6,468,000	9,900,000	11,891,600	(-) 1,991,600
	Code 169	Building & Maintenance Supplies	1,001,500	1,001,500	221,402	780,098
		OTPS - Total	$ 7,469,500	$ 10,901,500	$ 12,127,493	$(-) 1,225,993
		Function Total	$ 8,021,825	$ 11,581,555	$ 12,785,644	$(-) 1,204,089
		PROGRAM TOTAL	$ 8,021,825	$ 11,581,555	$ 12,785,644	$(-) 1,204,089
		GROSS PROGRAM TOTAL	$ 65,882,161	$ 72,720,251	$ 70,935,072	$ 1,785,176
		Less Accruals	(-) 650,886	(-) 650,886	-	(-) 650,886
		NET TOTAL	$ 65,171,275	$ 72,069,365	$ 70,935,072	$ 1,134,290

(Non-Custodial Functions)
DIVISION OF SCHOOL BUILDINGS

FISCAL YEAR 1975-1976

Program/Function	Code	Title or Description	Adopted Budget FM-5005	Final Budget FM-230	Expenditure AB Report 6/76	Surplus/Deficit
2-30311		Educational Facilities Planning				
		Personal Service - Total	$ 1,076,906	$ 817,936	$ 765,045	$ 52,891
	100	Supplies & Materials - General	13,867	6,152	727	5,425
	101	Printing	-	-	2,330	(-) 2,330
	130	Instructional Supplies	975	975	463	512
	301	Office Furniture & Equipment	2,500	2,500	-	2,500
	338	Library Books	500	500	531	(-) 31
	400	Contractual Services	-	-	130	(-) 130
	401	Postage	20	20	-	20
	403	Office Supplies	450	450	326	124
	404	Carfare - Travel Expenses, Mileage Allowance - Local	300	300	130	170
	405	Travel Expenses - Out of City	820	820	-	820
	412	Rental of Miscellaneous Equipment	8,280	8,280	7,223	1,057
	419	Professional, Technical & Consultant Services	8,900	3,000	3,180	(-) 180
	490	Special Services	225	225	887	(-) 662
	911	Imprest Fund Advance	-	-	225	(-) 225
		OTPS - Total	$ 36,837	$ 23,222	$ 16,152	$ 7,070
		Function Total	$ 1,113,743	$ 841,158	$ 781,197	$ 59,961
		Program Total	$ 1,113,743	$ 841,158	$ 781,197	$ 59,961
5-32011		Operation of School Plants				
		Personal Service - Total	$ 224,700	$ 231,720	$ 208,308	$ 23,412
	402	Telephone & Other Communications	-	-	-	-
	404	Carfare - Travel Expenses	-	-	-	-
	337	Textbooks	-	-	-	-
	338	Library Books	-	-	-	-
	400	Contractual Services - General	-	-	-	-
	100	Supplies & Materials - General	-	-	17	(-) 17
	101	Printing	-	-	13	(-) 13
	109	Fuel Supplies	2,541,360	4,666,360	4,183,315	483,045
	169	Building & Maintenance Supplies	329,590	329,590	315,557	14,033
	130	Instructional Supplies	-	-	3,410	(-) 3,410
	300	Equipment - General	-	-	132	(-) 132
	330	Instructional Equipment	-	-	548	(-) 548
		OTPS - Total	$ 2,870,950	$ 4,995,950	$ 4,502,992	$ 492,958
		Function Total	$ 3,095,650	$ 5,227,670	$ 4,711,300	$ 516,370
5-33041		Repair Shops				
		Personal Service - Total	$ 888,780	$ 923,814	$ 811,071	$ 112,743
	100	Supplies & Materials - General	-	-	712	(-) 712
	130	Instructional Supplies	-	-	1,124	(-) 1,124
	187	Kitchen Utensils	-	-	11	(-) 11
	169	Building & Maintenance Supplies	679,650	679,600	194,096	485,504
	403	Office Services	116,750	116,800	78,009	38,791
		OTPS - Total	$ 796,400	$ 796,400	$ 273,952	$ 522,448
		Function Total	$ 1,685,180	$ 1,720,214	$ 1,085,023	$ 635,191
5-33042		Wages - Repair Shops Mechanics				
		Personal Service - Total	$ 2,541,450	$ 2,362,042	$ 2,049,441	$ 312,601
		Function Total	$ 2,541,450	$ 2,362,042	$ 2,049,441	$ 312,601
5-93321		Bureau of Maintenance - Furn. Procurement				
	100	Supplies & Materials - General	$ -	$ -	$ 1,841	$(-) 1,841
	101	Printing	-	-	140	(-) 140
	111	Audio Visual Supplies	-	-	175	(-) 175
	130	Instructional Supplies	-	-	1,582	(-) 1,582
	169	Building & Maintenance Supplies	-	-	3	(-) 3
	300	Equipment - General	-	-	13,209	(-) 13,209
	369	Food Service Equipment	-	-	619	(-) 619
	400	Contractual Services	-	-	106	(-) 106
	403	Office Services	-	-	9,401	(-) 9,401
	408	Repairs - General	-	-	5,886	(-) 5,886
	301	Office Furniture & Equipment	110,000	110,000	74,013	35,987
	330	Instructional Equipment	455,000	455,000	92,838	362,162
		OTPS - Total	$ 565,000	$ 565,000	$ 199,809	$ 365,191
		Function Total	$ 565,000	$ 565,000	$ 199,809	$ 365,191

FISCAL YEAR 1975-1976

Program/Function	Code	Title or Description	Adopted Budget FM-5005	Final Budget FM-230	Expenditure AB Report 6/30	Surplus/Deficit
5-93331		Bureau of Maintenance - Minor Improvements & Repairs				
	300	Equipment - General	$ 12,000	$ 12,000	$ 160	$ 11,840
	330	Instructional Equipment	12,000	12,000	5,955	6,045
		OTPS - Total	$ 24,000	$ 24,000	$ 6,115	$ 17,885
		Function Total	$ 24,000	$ 24,000	$ 6,115	$ 17,885
5-93351		Bureau of Maintenance - Contract Maint. Prog.				
	403	Office Services	$ -	$ -	$ 25	$(-) 25
	408	Repairs - General	4,299,750	2,474,750	1,641,297	833,453
		OTPS - Total	$ 4,299,750	$ 2,474,750	$ 1,641,322	$ 833,428
		Function Total	$ 4,299,750	$ 2,474,750	$ 1,641,322	$ 833,428
		Program Total	$ 12,211,030	$ 12,373,676	$ 9,693,010	$ 2,680,666
6-11001		Lump Sum Allowance for Increased Cost of Fuel	$ 8,500,000	$ -	$ -	$ -
		Function Total	$ 8,500,000	$ -	$ -	$ -
6-11311		Executive Director				
		Personal Service - Total	$ 160,468	$ 189,258	$ 98,039	$ 91,219
	101	Printing	-	-	16,337	(-) 16,337
	169	Building and Maintenance Supplies	-	-	96	(-) 96
	330	Instructional Equipment	-	-	332	(-) 332
	490	Special Services	-	-	147	(-) 147
	498	Tuition Expenses	-	-	85	(-) 85
	412	Rental of Miscellaneous Equipment	8,750	8,750	4,171	4,579
	100	Supplies & Materials - General	76,900	76,900	50,113	26,787
	130	Instructional Supplies	2,000	2,000	4,352	(-) 2,352
	301	Office Furniture & Equipment	4,500	4,500	756	3,744
	400	Contractual Services - General	7,750	7,750	721	7,029
	401	Postage	43,900	43,900	24,000	19,900
	402	Telephone & Other Communications	90,500	140,500	100,266	40,234
	403	Office Services	8,000	8,000	6,987	1,013
	404	Carfare - Travel Expenses	65,000	265,000	162,519	102,481
	405	Carfare - Travel Expenses Out of City	2,000	2,000	428	1,572
	911	Imprest Fund Advance	-	-	65,000	(-) 65,000
		OTPS - Total	$ 309,300	$ 559,300	$ 436,310	$ 122,990
		Function Total	$ 469,768	$ 748,558	$ 534,349	$ 214,209
6-21311		Design and Construction				
		Personal Service - Total	$ 8,375,385	$ 7,393,190	$ 6,869,757	$ 523,433
	300	Equipment - General	-	-	98	(-) 98
		OTPS - Total	$ -	$ -	$ 98	$(-) 98
		Function Total	$ 8,375,385	$ 7,393,190	$ 6,869,855	$ 523,335
6-31311		Plant Operations & Maintenance				
		Personal Service - Total	$ 654,808	$ 680,087	$ 507,967	$ 172,120
	169	Building and Maintenance Supplies	-	-	20	(-) 20
	400	Contractual Services	-	-	15	(-) 15
	402	Telephone & Other Communications	-	-	10	(-) 10
	404	Carfare - Travel Expenses	-	-	111	(-) 111
	423	Heat, Light & Power	-	-	22,894	(-) 22,894
	490	Special Services	-	-	125	(-) 125
		OTPS - Total	$ -	$ -	$ 23,175	$(-) 23,175
		Function Total	$ 654,808	$ 680,087	$ 531,142	$ 148,945

DIVISION OF SCHOOL BUILDINGS - (Cont'd.)

FISCAL YEAR 1975-1976

Program/Function	Code	Title or Description	Adopted Budget FM-5005	Final Budget FM-230	Expenditure AS Report 6/76	Surplus/Deficit
6-32311		Oper. of Sch. Plant - Fuel Mangt. & Motor Transport				
		Personal Service - Total	$ 671,365	$ 668,180	$ 590,440	$ 77,740
	100	Supplies & Materials - General	-	-	592	(-) 592
	130	Instructional Supplies	-	-	139	(-) 139
	400	Contractual Services	-	-	1,144	(-) 1,144
	403	Office Services	-	-	13,843	(-) 13,843
	105	Automotive Supplies & Materials	60,000	60,000	66,313	(-) 6,313
	109	Fuel Supplies	1,021,575	1,029,075	170,556	858,519
	169	Building and Maintenance Supplies	498,475	373,475	292,099	81,376
	300	Equipment - General	30,000	30,000	152	29,848
	305	Motor Vehicle Equipment	60,000	60,000	-	60,000
	407	Repairs to Motor Vehicles	20,000	20,000	7,075	12,925
	412	Rental of Miscellaneous Equipment	111,000	111,000	131,537	(-) 20,537
	423	Heat, Light & Power	22,000	22,000	11,956	10,044
	911	Imprest Fund Advance	-	-	750	(-) 750
		OTPS - Total	$ 1,823,050	$ 1,705,550	$ 696,156	$ 1,009,394
		Function Total	$ 2,494,415	$ 2,373,730	$ 1,286,596	$ 1,087,134
6-33041		Repair Shops				
		Personal Service - Total	$ 345,570	$ 365,350	$ 351,964	$ 13,386
	911	Imprest Fund Advance	-	-	12,300	(-) 12,300
	100	Supplies & Materials - General	-	-	903	(-) 903
	130	Instructional Supplies	-	-	21	(-) 21
	101	Printing	-	-	10,000	(-) 10,000
	169	Building and Maintenance Supplies	574,500	389,500	149,148	240,352
	403	Office Services	65,500	65,500	61,619	3,881
		OTPS - Total	$ 640,000	$ 455,000	$ 233,991	$ 221,009
		Function Total	$ 985,570	$ 820,350	$ 585,955	$ 234,395
6-33042		Wages - Repair Shop Mechanics				
		Personal Service - Total	$ 757,309	$ 733,346	$ 631,498	$ 101,848
		Function Total	$ 757,309	$ 733,346	$ 631,498	$ 101,948
6-33051		Bureau of Maint. - Contract Maint. Prog.				
	400	Contractual Services	$ -	$ -	$ 25,546	$(-) 25,546
	408	Repairs - General	1,827,503	1,177,503	585,430	592,073
	419	Professional, Technical and Consultant Services	4,000	4,000	982	3,018
	450	Contract Services - Wildcat	-	60,000	-	60,000
		OTPS - Total	$ 1,831,503	$ 1,241,503	$ 611,958	$ 629,545
		Function Total	$ 1,831,503	$ 1,241,503	$ 611,958	$ 629,545
6-33311		Bureau of Maint. - Administration				
		Personal Service - Total	$ 4,723,234	$ 4,467,652	$ 4,069,019	$ 398,633
	300	Equipment - General	-	-	98	(-) 98
		OTPS - Total	$ -	$ -	$ 98	$(-) 98
		Function Total	$ 4,723,234	$ 4,467,652	$ 4,069,117	$ 398,535
6-33321		Bureau of Maint. - Furniture Procurement				
	100	Supplies & Materials - General	$ -	$ -	$ 6,198	$(-) 6,198
	101	Printing	-	-	-	-
	111	Audio Visual Supplies	-	-	4	(-) 4
	130	Instructional Supplies	-	-	376	(-) 376
	169	Building and Maintenance Supplies	-	-	71	(-) 71
	300	General Equipment	-	-	10,588	(-) 10,588
	338	Library Books	-	-	533	(-) 533
	400	Contractual Services	-	-	163	(-) 163
	330	Instructional Equipment	532,400	532,400	181,701	350,699
	301	Office Furniture and Equipment	145,300	145,300	114,403	30,897
		OTPS - Total	$ 677,700	$ 677,700	$ 314,037	$ 363,663
		Function Total	$ 677,700	$ 677,700	$ 314,037	$ 363,663
		Program Total	$ 29,469,692	$ 19,136,116	$ 15,434,507	$ 3,701,609

(Non-Custodial Functions)
DIVISION OF SCHOOL BUILDINGS - (Cont'd.)

FISCAL YEAR 1975-1976

Program/Function	Code	Title or Description	Adopted Budget FM-5005	Final Budget FM-230	Expenditure AB Report 6/76	Surplus/Deficit
30-90001		Minor Repair Maintenance				
	408	Repairs - General	$ 1,437,477	$ 347,477	$ 139,723	$ 207,754
		Function Total	$ 1,437,477	$ 347,477	$ 139,723	$ 207,754
30-90101		Repair Shops				
		Personal Service - Total	$ 2,253,591	$ 2,284,663	$ 3,424	$ 2,281,239
	100	Supplies & Materials - General	-	-	4,460	(-) 4,460
	130	Instructional Supplies	-	-	45	(-) 45
	169	Building and Maintenance Supplies	2,106,750	2,106,750	1,708,814	397,936
	403	Office Services	356,750	356,750	377,547	(-) 20,797
	300	Equipment - General	-	-	712	(-) 712
		OTPS - Total	$ 2,463,500	$ 2,463,500	$ 2,091,578	$ 371,922
		Function Total	$ 4,717,091	$ 4,748,163	$ 2,095,002	$ 2,653,161
30-90201		Wages - Repair Shop Mechanics				
		Personal Service - Total	$ 6,031,804	$ 5,956,075	$ 71	$ 5,956,004
	790	Training Program	-	-	26,390	(-) 26,390
		OTPS - Total	$ -	$ -	$ 26,390	$(-) 26,390
		Function Total	$ 6,031,804	$ 5,956,075	$ 26,461	$ 5,929,614
30-99051		Bureau of Maint. - Contract Maintenance				
	408	Repairs - General	$ 5,330,400	$ 330,400	$ 153,343	$ 177,057
		Function Total	$ 5,330,400	$ 330,400	$ 153,343	$ 177,057
30-99311		Bureau of Maint. - Minor Improvements				
	300	Equipment - General	$ 48,000	$ 48,000	$ 6,213	$ 41,787
	330	Instructional Equipment	48,000	48,000	3,012	44,988
		OTPS - Total	$ 96,000	$ 96,000	$ 9,225	$ 86,775
		Function Total	$ 96,000	$ 96,000	$ 9,225	$ 86,775
30-99321		Bureau of Maint. - Furniture Procurement				
	369	Food Service Equipment	$ -	$ -	$ 1,084	$(-) 1,084
	377	Textbooks	-	-	1,177	(-) 1,177
	111	Audio Visual Supplies	-	-	557	(-) 557
	130	Instructional Supplies	-	-	68	(-) 68
	408	Repairs - General	-	-	1,801	(-) 1,801
	300	Equipment - General	1,135,000	186,638	47,627	139,011
	301	Office Furniture & Equipment	-	545,555	178,582	366,973
	330	Instructional Equipment	-	402,807	114,245	288,562
		OTPS - Total	$ 1,135,000	$ 1,135,000	$ 345,141	$ 789,859
		Function Total	$ 1,135,000	$ 1,135,000	$ 345,141	$ 789,859
30-99351		District Contract Repair Program				
	100	Supplies & Materials - General	$ -	$ -	$ 381	$(-) 381
	300	Equipment - General	-	-	50	(-) 50
	301	Office Furniture & Equipment	-	-	1,826	(-) 1,826
	330	Instructional Equipment	-	-	1,600	(-) 1,600
	400	Contractual Services	-	-	20,245	(-) 20,245
	403	Office Services	-	-	817	(-) 817
	408	Repairs - General	7,307,523	6,471,383	4,170,395	2,300,988
		OTPS - Total	$ 7,307,523	$ 6,471,383	$ 4,195,314	$ 2,276,069
		Function Total	$ 7,307,523	$ 6,471,383	$ 4,195,314	$ 2,276,069
		Program Total	$ 26,055,295	$ 19,084,498	$ 6,964,209	$ 12,120,289

~~(Non-Custodial Functions)~~

DIVISION OF SCHOOL BUILDINGS - (Cont'd.)

FISCAL YEAR 1975-1976

Program/Function	Code	Title or Description	Adopted Budget FM-5005	Final Budget FM-230	Expenditure AB Report 6/76	Surplus/Deficit
31-32011	Oper. of Sch. Plant, Fuel Mangt. & Motor Transport					
		Personal Service - Total	$ 680,550	$ 705,025	$ 651,822	$ 53,203
	412	Rental of Miscellaneous Equipment	-	-	135	(-) 135
	490	Special Services	-	-	21	(-) 21
	403	Office Services	-	-	41	(-) 41
	100	Supplies & Materials - General	-	-	51	(-) 51
	130	Instructional Supplies	-	-	5,299	(-) 5,299
	187	Kitchen Untensils	-	-	39	(-) 39
	300	Equipment - General	-	-	2,222	(-) 2,222
	330	Instructional Equipment	-	-	16	(-) 16
	400	Contractual Services	-	-	60	(-) 60
	109	Fuel Supplies	7,395,500	11,795,100	11,055,269	739,831
	169	Building & Maintenance Supplies	944,000	944,000	1,182,178	(-) 238,178
		OTPS - Total	$ 8,339,500	$ 12,739,100	$ 12,245,331	$ 493,769
		Function Total	$ 9,020,050	$ 13,444,125	$ 12,897,153	$ 546,972
		Program Total	$ 9,020,050	$ 13,444,125	$ 12,897,153	$ 546,972
		Gross Program Total	$ 77,869,810	$ 64,879,573	$ 45,770,076	$ 19,109,497
		Less Accruals	(-) 55,289	(-) 55,289	-	(-) 55,289
		Net Total	$ 77,814,521	$ 64,824,284	$ 45,770,076	$ 19,054,208

Program/Function	Code	Title or Description	Adopted Budget FM-5005	Modified Budget FM-43	Change	FM Number of Change
2-30311		Educational Facilities Planning				
		Personal Service - Total	$ 818,346	$ -	$(-) 818,346	10
	100	Supplies & Materials - General	6,152	-	(-) 6,152	"
	130	Instructional Supplies	975	-	(-) 975	"
	301	Office Furniture & Equipment	2,500	-	(-) 2,500	"
	338	Library Books	500	-	(-) 500	"
	401	Postage	20	-	(-) 20	"
	403	Office Supplies	450	-	(-) 450	"
	404	Carfare - Travel Expenses, Mileage Allowance - Local	300	-	(-) 300	"
	405	Travel Expenses - Out of City	820	-	(-) 820	"
	412	Rental of Miscellaneous Equipment	8,280	-	(-) 8,280	"
	419	Professional, Technical & Consultant Services	3,000	-	(-) 3,000	"
	490	Special Services	225	-	(-) 225	"
		OTPS - Total	$ 23,222	$ -	$(-) 23,222	
		Function Total	$ 841,568	$ -	$(-) 841,568	
		Program Total	$ 841,568	$ -	$(-) 841,568	
5-32011		Operation of School Plants				
		Personal Service - Total	$ 231,850	$ 231,850	$ -	
	109	Fuel Supplies	4,666,360	4,666,360	-	
	169	Building & Maintenance	329,590	329,590	-	
		OTPS - Total	$ 4,995,950	$ 4,995,950	$ -	
		Function Total	$ 5,227,800	$ 5,227,800	$ -	
5-33041		Repair Shops				
		Personal Service - Total	$ 923,944	$ 852,373	$(-) 71,571	Various
	169	Building & Maintenance Supplies	679,650	579,650	(-) 100,000	32
	403	Office Services	116,750	86,750	(-) 30,000	"
		OTPS - Total	$ 796,400	$ 666,400	$(-) 130,000	
		Function Total	$ 1,720,344	$ 1,518,773	$(-) 201,571	
5-33042		Wages - Repair Shop Mechanics				
		Personal Service - Total	$ 2,312,549	$ 2,346,424	$ 33,875	Various
		Function Total	$ 2,312,549	$ 2,346,424	$ 33,875	
5-93321		Bureau of Maint. - Furniture Procurement				
	301	Office Furniture & Equipment	$ 110,000	$ 110,000	$ -	
	330	Instructional Equipment	455,000	455,000	-	
		OTPS - Total	$ 565,000	$ 565,000	$ -	
		Function Total	$ 565,000	$ 565,000	$ -	
5-93331		Bureau of Maint. - Minor Improv. & Repairs				
	300	Equipment - General	$ 12,000	$ 12,000	$ -	
	330	Instructional Equipment	12,000	12,000	-	
		OTPS - Total	$ 24,000	$ 24,000	$ -	
		Function Total	$ 24,000	$ 24,000	$ -	
5-93351		Bureau of Maint. - Contract Maint. Prog.				
	408	Repairs - General	$ 2,474,750	$ 2,474,750	$ -	
		Function Total	$ 2,474,750	$ 2,474,750	$ -	
		Program Total	$ 12,324,443	$ 12,156,747	$(-) 167,696	

(Non-Custodial Functions)
DIVISION OF SCHOOL BUILDINGS - (Cont'd.)

FISCAL YEAR 1976-1977

Program/Function	Code	Title or Description	Adopted Budget EM-5005	Modified Budget EM-43	Change	EM Number of Change
6-11311		Executive Director				
		Personal Service - Total	$ 189,258	$ 191,383	$ 2,125	Various
	100	Supplies & Materials - General	76,900	76,900	-	
	130	Instructional Supplies	2,000	2,000	-	
	301	Office Furniture & Equipment	4,500	4,500	-	
	400	Contractual Services - General	7,750	7,750	-	
	401	Postage	43,900	43,900	-	
	402	Telephone & Other Communications	110,500	110,500	-	
	403	Office Services	8,000	8,000	-	
	404	Carfare - Travel Expenses	265,000	265,000	-	
	405	Travel Expenses - Out of City	2,000	2,000	-	
	412	Rental of Miscellaneous Equipment	8,750	8,750	-	
		OTPS - Total	$ 529,300	$ 529,300	$ -	
		Function Total	$ 718,558	$ 720,683	$ 2,125	
6-21311		Design and Construction				
		Personal Service - Total	$ 7,393,450	$ 7,827,956	$ 434,506	Various
	100	Supplies & Materials - General	-	6,152	6,152	10
	130	Instructional Supplies	-	975	975	"
	301	Office Furniture & Equipment	-	2,500	2,500	"
	338	Library Books	-	500	500	"
	401	Postage	-	20	20	"
	403	Office Services	-	450	450	"
	404	Carfare - Travel Expenses	-	300	300	"
	405	Travel Expenses - Out of City	-	820	820	"
	412	Rental of Miscellaneous Equipment	-	8,280	8,280	"
	419	Professional, Technical & Consultant Services	-	3,000	3,000	"
	490	Special Services	-	225	225	"
		OTPS - Total	$ -	$ 23,222	$ 23,222	
		Function Total	$ 7,393,450	$ 7,851,178	$ 457,728	
6-31311		Plant Operations & Maintenance				
		Personal Service - Total	$ 681,737	$ 686,101	$ 4,364	Various
		Function Total	$ 681,737	$ 686,101	$ 4,364	

Program/Function	Code	Title or Description	Adopted Budget EM-5005	Modified Budget EM-43	Change	EM # of Change
6-32311		Operation of School Plants - Fuel Management & Motor Transport				
		Personal Service - Total	$ 668,895	$ 668,895	-	-
	105	Automotive Supplies & Materials	60,000	60,000	-	-
	109	Fuel Supplies	1,149,075	1,149,075	-	-
	169	Building & Maintenance Supplies	298,475	298,475	-	-
	300	Equipment - General	30,000	30,000	-	-
	407	Repairs to Motor Vehicles	20,000	20,000	-	-
	412	Rental of Miscellaneous Equipment	111,000	111,000	-	-
	423	Heat, Light & Power Services	22,000	22,000	-	-
		OTPS - Total	$ 1,690,550	$ 1,690,550	-	-
		Function Total	$ 2,359,445	$ 2,359,445	-	-
6-33041		Repair Shop				
		Personal Service - Total	$ 365,350	$ 354,220	$(-) 11,130	Various
	169	Building & Maintenance Supplies	574,500	339,500	(-)235,000	Various
	403	Office Services	65,500	56,500	(-) 9,000	EM-32
		OTPS - Total	$ 640,000	$ 396,000	$(-)244,000	EM-32
		Function Total	$ 1,005,350	$ 750,220	$(-)255,130	Various
6-33042		Wages - Repair Shop Mechanics				
		Personal Service - Total	$ 721,838	$ 632,348	$(-) 89,490	Various
		Function Total	$ 721,838	$ 632,348	$(-) 89,490	Various
6-33051		Bureau of Maintenance - Contract Maintenance Program				
	408	Repairs - General	$ 992,503	$ 863,503	$(-)129,000	Various
	419	Profes., Tech. & Consult. Services	4,000	4,000	-	-
	450	Contractual Services - Wildcat	60,000	60,000	-	-
		OTPS - Total	$ 1,056,503	$ 927,503	$(-)129,000	Various
		Function Total	$ 1,056,503	$ 927,503	$(-)129,000	Various
6-33311		Bureau of Maintenance - Administration				
		Personal Service - Total	$ 4,468,037	$ 4,378,907	$(-) 89,130	Various
		Function Total	$ 4,468,037	$ 4,378,907	$(-) 89,130	Various
6-33321		Bureau of Maintenance - Furniture Procurement Program				
	330	Instructional Equipment	$ 532,400	$ 289,175	$(-)243,225	EM-32
	301	Office Furniture & Equipment	145,300	84,470	(-) 60,830	EM-32
		OTPS - Total	$ 677,700	$ 373,645	$(-)304,055	EM-32
		Function Total	$ 677,700	$ 373,645	$(-)304,055	EM-32
		Program 6 Total	$19,082,618	$18,680,030	$(-)402,588	Various
30-90001		Minor Repairs - Maintenance				
	408	Repairs - General	$ 337,477	$ 337,477	$ -	-
		OTPS - Total	$ 337,477	$ 337,477	$ -	-
		Function Total	$ 337,477	$ 337,477	$ -	-

DIVISION OF SCHOOL BUILDINGS

FISCAL YEAR 1976-1977

Program/Function	Code	Title or Description	Adopted Budget EM-5005	Modified Budget EM-43	Change	EM # of Change
30-90101		Repair Shop				
		Personal Service - Total	$ 2,287,938	$ 2,116,673	$(-)171,265	Various
	169	Building & Maintenance Supplies	$ 2,106,750	$ 1,731,750	$(-)375,000	EM-32
	403	Office Services	356,750	259,399	$(-) 97,351	EM-32
		OTPS - Total	$ 2,463,500	$ 1,991,149	$(-)472,351	EM-32
		Function Total	$ 4,751,438	$ 4,107,822	$(-)643,616	Various
30-90201		Wages - Repair Shop Mechanics				
		Personal Service - Total	$ 5,830,650	$ 5,890,641	$ 59,991	Various
		Function Total	$ 5,830,650	$ 5,890,641	$ 59,991	Various
30-99051		Bureau of Maintenance - Contract Maintenance				
	408	Repairs - General	$ 330,400	$ 330,400	$ -	-
		OTPS - Total	$ 330,400	$ 330,400	$ -	-
		Function Total	$ 330,400	$ 330,400	$ -	-
30-99311		Bureau of Maintenance - Minor Improvements				
	300	Equipment - General	$ 48,000	$ 48,000	$ -	-
	330	Instructional Equipment	48,000	48,000	-	-
		OTPS - Total	$ 96,000	$ 96,000	$ -	-
		Function Total	$ 96,000	$ 96,000	$ -	-
30-99321		Bureau of Maintenance - Furniture Procurement				
	300	Equipment - General	$ 186,638	$ 186,638	$ -	-
	301	Office Furniture	545,555	545,555	-	-
	330	Instructional Equipment	402,807	402,807	-	-
		OTPS - Total	$ 1,135,000	$ 1,135,000	$ -	-
		Function Total	$ 1,135,000	$ 1,135,000	$ -	-
30-99351		District Contract Repairs Program				
	408	Repairs - General	$ 6,471,383	$ 6,471,383	$ -	-
		OTPS - Total	$ 6,471,383	$ 6,471,383	$ -	-
		Function Total	$ 6,471,383	$ 6,471,383	$ -	-
		Program 30 Total	$18,952,348	$18,368,723	$(-)583,625	Various
31-32011		Operation of School Plants - Fuel Management & Motor Transport				
		Personal Service - Total	$ 705,025	$ 707,900	$ 2,875	EM-43
	109	Fuel Supplies	$13,643,000	$13,643,000	$ -	-
	169	Building & Maintenance Supplies	944,000	944,000	-	-
		OTPS - Total	$14,587,000	$14,587,000	$ -	-
		Function Total	$15,292,025	$15,294,900	$ 2,875	EM-43
		Program 31 Total	$15,292,025	$15,294,900	$ 2,875	EM-43
		Required Savings - Capital	(-)3,033,603	(-)500,000	2,533,603	
		Required Savings - Tax Levy	(-) 150,000	(-)150,000	-	
		GRAND PROGRAM TOTAL	$ 63,309,399	$63,850,400	$ 541,001	

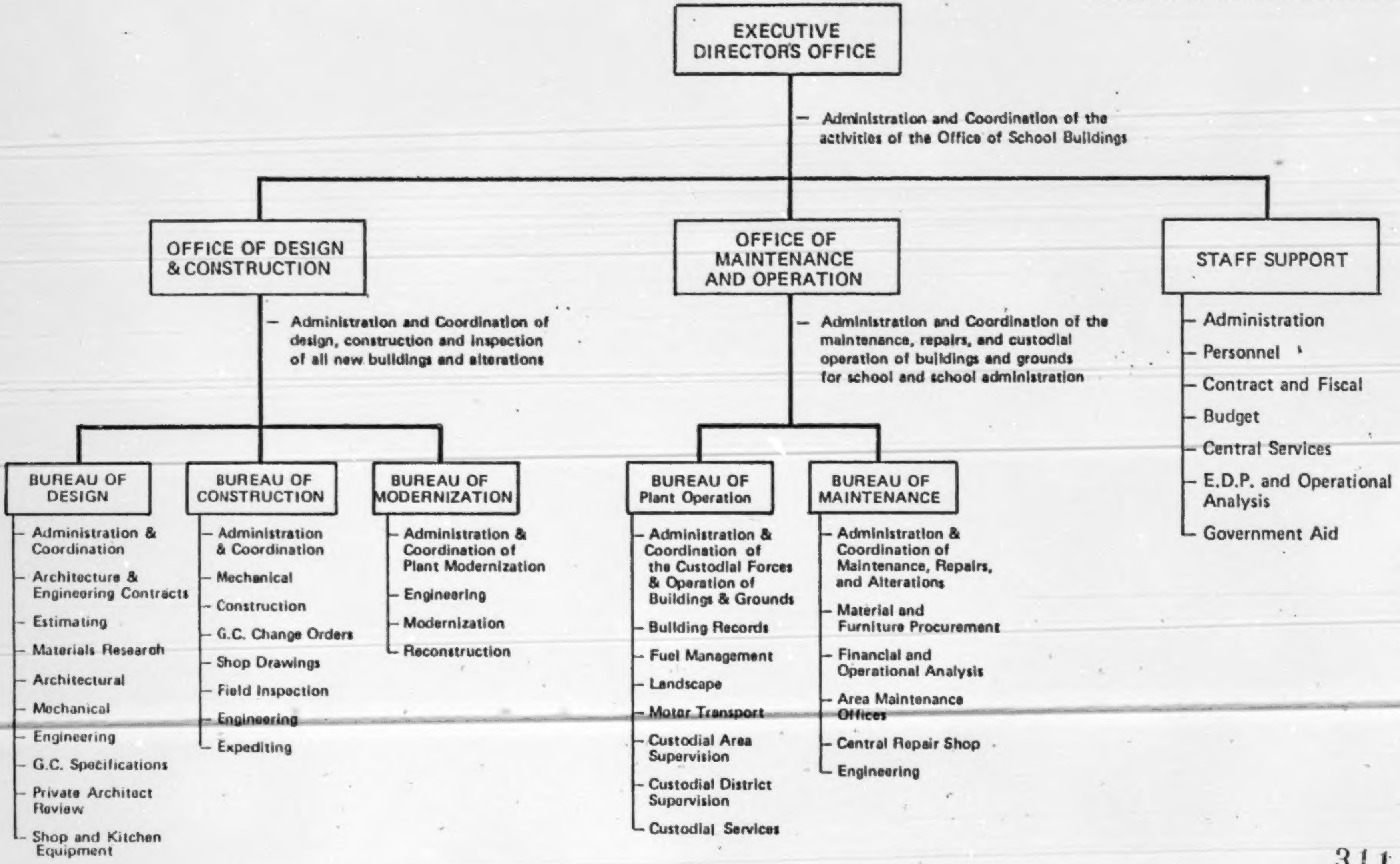
APPENDIX: 13

FUNCTIONAL ORGANIZATION CHART - DIVISION OF SCHOOL BUILDINGS
OPERATIONAL ORGANIZATION CHART - BUREAU OF PLANT OPERATION
OPERATIONAL ORGANIZATION CHART - BUREAU OF MAINTENANCE

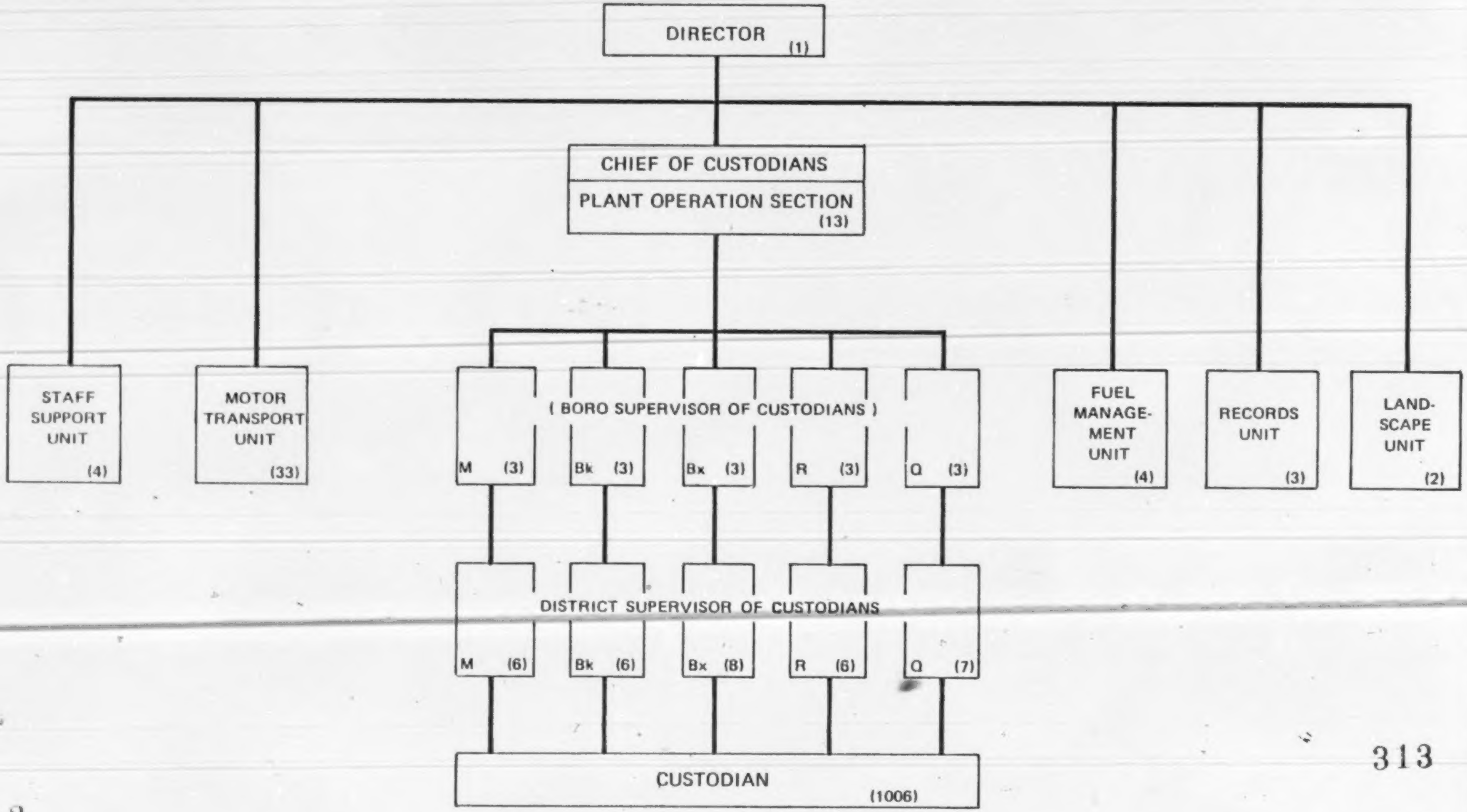
APPENDIX: 13 FUNCTIONAL ORGANIZATION CHART - DIVISION OF SCHOOL BUILDINGS
OPERATIONAL ORGANIZATION CHART - BUREAU OF PLANT OPERATION
OPERATIONAL ORGANIZATION CHART - BUREAU OF MAINTENANCE

The organization charts presented here should assist in establishing an overview of the Board of Education units providing operation and maintenance services for school buildings. The Functional Organization Chart for the Division of School Buildings was taken from material prepared for the Priority Budget Review for the 1975-1976 Budget; it describes the activities performed in the various operating units in the division. The Operational Organization Charts for the Bureau of Plant Operation and the Bureau of Maintenance were obtained from the Division of School Buildings; the units comprising these bureaus are shown along with the number of employees per unit (in parentheses).

FUNCTIONAL ORGANIZATION CHART:
DIVISION OF SCHOOL BUILDINGS


EXECUTIVE DIRECTOR'S OFFICE
– Administration and Coordination of the activities of the Office of School Buildings
OFFICE OF DESIGN & CONSTRUCTION
– Administration and Coordination of design, construction and inspection of all new buildings and alterations
OFFICE OF MAINTENANCE AND OPERATION
– Administration and Coordination of the maintenance, repairs, and custodial operation of buildings and grounds for school and school administration
STAFF SUPPORT
Administration
Personnel
Contract and Fiscal
Budget
Central Services
E.D.P. and Operational Analysis
Government Aid
BUREAU OF DESIGN
Administration & Coordination
Architecture & Engineering Contracts
Estimating
Materials Research
Architectural
Mechanical
Engineering
G.C. Specifications
Private Architect Review
Shop and Kitchen Equipment
BUREAU OF CONSTRUCTION
Administration & Coordination
Mechanical
Construction
G.C. Change Orders
Shop Drawings
Field Inspection
Engineering
Expediting
BUREAU OF MODERNIZATION
Administration & Coordination of Plant Modernization
Engineering
Modernization
Reconstruction
BUREAU OF Plant Operation
Administration & Coordination of the Custodial Forces & Operation of Buildings & Grounds
Building Records
Fuel Management
Landscape
Motor Transport
Custodial Area Supervision
Custodial District Supervision
Custodial Services
BUREAU OF MAINTENANCE
Administration & Coordination of Maintenance, Repairs, and Alterations
Material and Furniture Procurement
Financial and Operational Analysis
Area Maintenance Offices
Central Repair Shop
Engineering

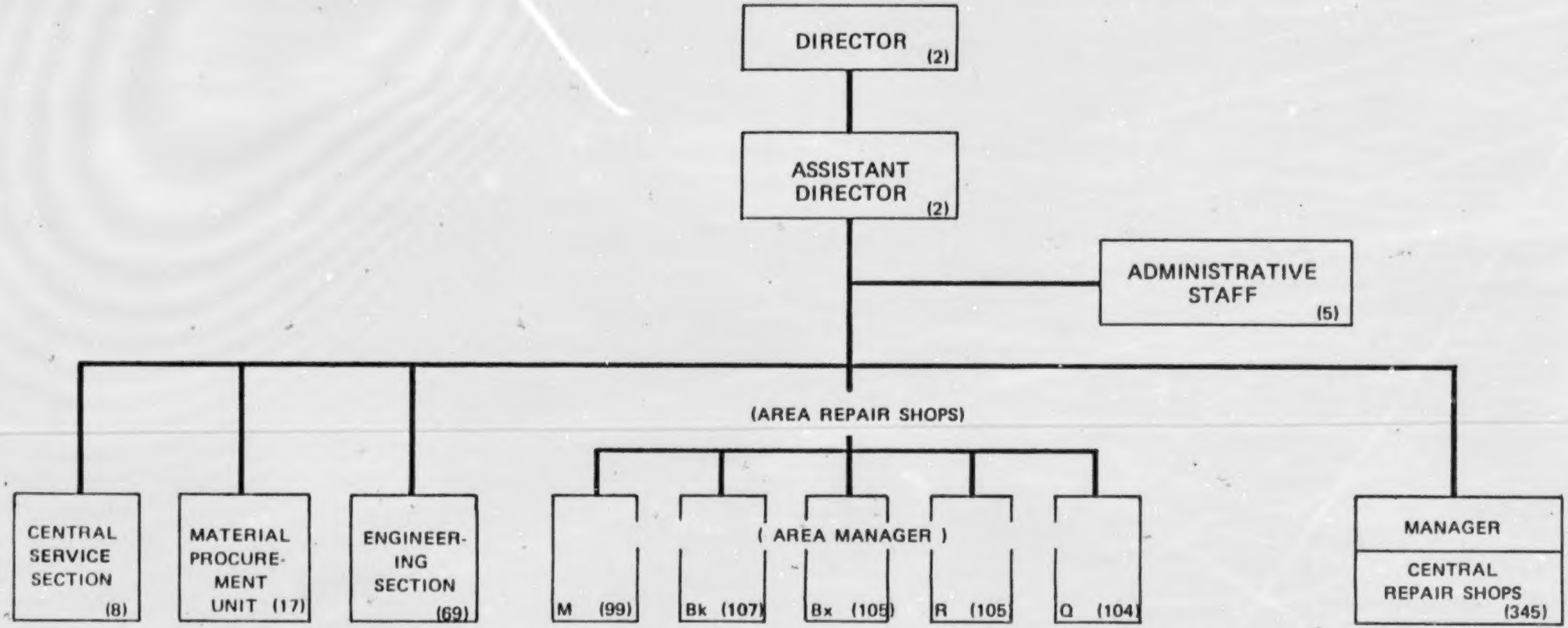
OPERATIONAL ORGANIZATION CHART:
BUREAU OF PLANT OPERATION*


DIRECTOR (1)
CHIEF OF CUSTODIANS
PLANT OPERATION SECTION (13)
STAFF SUPPORT UNIT (4)
MOTOR TRANSPORT UNIT (33)
(BORO SUPERVISOR OF CUSTODIANS)
M (3)
Bk (3)
Bx (3)
R (3)
Q (3)
FUEL MANAGE-MENT UNIT (4)
RECORDS UNIT (3)
LAND-SCAPE UNIT (2)
DISTRICT SUPERVISOR OF CUSTODIANS
M (6)
Bk (6)
Bx (8)
R (6)
Q (7)
CUSTODIAN (1006)

TOTAL EMPLOYEES: 1124

* AS OF FISCAL YEAR 75/76

OPERATIONAL ORGANIZATION CHART:
BUREAU OF MAINTENANCE*


DIRECTOR (2)
ASSISTANT DIRECTOR (2)
ADMINISTRATIVE STAFF (5)
(AREA REPAIR SHOPS)
CENTRAL SERVICE SECTION (8)
MATERIAL PROCUREMENT UNIT (17)
ENGINEERING SECTION (69)
(AREA MANAGER)
M (99)
Bk (107)
Bx (105)
R (105)
Q (104)
MANAGER
CENTRAL REPAIR SHOPS (345)

TOTAL EMPLOYEES: 967

* AS OF 6/30/76

APPENDIX: 14

NORMAL DAY SCHOOL ACTIVITY ALLOCATION

The normal day school activity allocation schedules were designed to estimate the annual funds needed by a custodian to provide the specified normal day school custodial services in a school building. There are eighteen factors in the schedule to relate this estimate to the specific building. The annual allocation for each building is adjusted whenever there is a change in any of these factors (e.g., unused space, new annex, change in square footage), whenever there is a change in contract provisions (e.g., wage rates), or whenever the Board of Education changes its policy (e.g., reduction in cleaning frequency).

A custodian receives a bi-weekly check for $\frac{14}{365}$ of his annual day allocation for each of his school assignments to provide these services. In addition, at the end of each month he receives a number of checks for additional expenses incurred during that period for:

- Extra activities
- Reimbursable emergency service and shift-differential
- Reimbursable employee fringe benefits (e.g., jury duty, sick leave, vacation in excess of 21 calendar days)
- Any necessary adjustments.

In order to develop an understanding of the scope of these normal day school activity factors and their cost to the Board of Education, the following tables were developed by the Project Management Team with the aid of data provided by the Production Control Unit of MIDP and the Custodial Payroll Unit of the Division of Business and Administration. The tables on the next page presents the cost of each factor as well as indicates the number of schools in which each factor was applicable. The last table segregates the Board of Education school buildings by amount of floor space and also presents the percentage of funds received by schools in each category from the total custodial service allocation.

DISTRIBUTIONS OF SCHOOLS BY FLOOR AREAS
OCTOBER 1976

M Sq. Ft.	Number of Buildings	% Buildings	Total Area (M Sq. Ft.)	% Area	$ Allocations Sq. Ft.	% Dollars
0 – 25	54	5.36	845	0.83	$ 1,063,154	1.81
25 – 50	104	10.33	4,012	3.94	2,915,930	4.97
50 – 75	211	20.95	13,667	13.41	9,135,197	15,57
75 – 100	291	28.90	25,083	24.61	15,276,833	26.04
100 – 125	115	11.42	12,932	12.68	7,186,930	12.25
125 – 150	78	7.75	10,730	10.53	5,615,560	9.56
150 – 175	65	6.45	10,491	10.28	5,433,404	9.26
175 – 200	15	1.49	2,818	2.76	1,477,389	2.52
200 – 225	9	0.89	1,923	1.89	973,653	1.66
225 – 250	20	1.99	4,849	4.76	2,398,191	4.09
250 – 275	14	1.39	3,635	3.57	1,830,993	3.12
276 – over	31	3.08	10,953	10.74	5,370,041	9.15
TOTAL	1,007	100.00	101,938	100.00	$ 58,677,275	100.00

QUANTITIES MAKING UP
NORMAL DAY SCHOOL ACTIVITY ALLOCATIONS
OCTOBER 15, 1976

	QUANTITIES	TOTAL $
Total Floor Area (M.Sq. Ft.)	101,938	58,677,276
Unused Space Deduction (M. Sq. Ft.)	836.2	(235,442)
Oil Burners Deductions	520	(1,687,592)
Outside Steam	42	(467,547)
High Pressure Boilers	47	166,369
Junior High School	177	737,421
Senior High School	105	2,003,565
High School Annex	18	40,877
Swimming Pools	44	281,569
Elevators	148	272,779
Escalators	34	90,088
Univents	14,514	486,219
Elementary Lunch Rooms	698	3,559,800
Junior High Schools Lunch Rooms	200	1,346,400
High School Lunch Rooms	112	913,920
Additional Employees	256	3,324,331
Pavement 0 – 50 (M. Sq. Ft.)	36,887	8,281,550
Pavement 50 – 100 (M. Sq. Ft.)	8,652	649,333
Pavement 100 – 120 (M. Sq. Ft.)	894	55,902
Pavement Over 120 (M. Sq. Ft.)	2,136	120,940
Premium Time*	1,046	2,160,074
Elevator Contracts	131	125,967
Escalator Contracts	28	29,131
Sub-totals **		80,932,930

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* Represents approximately the total number of buildings in this survey.

** Does not reflect reimbursable expenses.

APPENDIX: 15

NEWSPAPER ARTICLES FROM OCTOBER 19, 1964
ON THE NEW YORK STATE INVESTIGATION OF
CUSTODIAL EARNINGS

APPENDIX: 15

NEWSPAPER ARTICLES FROM OCTOBER 19, 1964
ON THE NEW YORK STATE INVESTIGATION OF
CUSTODIAL EARNINGS

The following newspaper articles appeared on October 19, 1964 in the Herald Tribune and New York Times. They discuss the conditions that existed in the custodial service function at the Board of Education that led to a New York State investigation of custodial earnings.

The New York Herald Tribune, October 19, 1964.

CUSTODIANS PAY STILL IN TOP BRACKET

By Joseph Michalak

Gov. Rockefeller's special investigations commissioner has reopened his Inquiry into the city school-custodian "overpayments" problem.

Herman T. Stichman whose investigations last year led to revelations that custodians were taking home as much as $53,000 a year, said yesterday that he had stepped back into the situation after a break of 10 months.

He reported that some custodians continue to be among the higher-paid individuals in the country, some of them receiving more than governors, mayors of large cities, college presidents and superintendents of schools" (including the local Superintendent, Dr. Calvin E. Gross).

Despite "self-policing" by members of the custodians union since early this year, one custodian still netted $46,130 this year, and there were a dozen who earned more than $30,000. Besides last year's $53,000 custodian —he was down to $36,000 this year— two others earned more than $40,000 during 1962-63.

It was learned that last Wednesday Mr. Stichman took private testimony at his offices. 22 W. 40th St., from four top school officials. It is likely that the investigation will expand shortly to include leaders and members of the custodians union and possibly Superintendent Gross and members of the Board of Education.

Dr. Gross was not called for private testimony or to the three-day public hearing that closed the investigation last December because the financial agreement under which the custodians reaped their enormous profits was negotiated before he assumed office in April, 1963.

However, Dr. Gross and a three-man Board of Education subcommittee have spent considerable time in recent months trying to complete an agreement under which custodial earnings would be limited to about $26,000 a year and earnings beyond that would be returned.

The agreement was announced on several occasions in recent months, but it still has not been signed. Mr. Stichman reportedly was told by one school official last week that the signing will take place next month.

In a statement yesterday, Mr. Stichman said that one aim of his new probe was to insure "that excessive compensation will not be frozen into any new arrangement made by the New York City Board of Education."

Though the income of most highly paid custodians has gone down this year, Thomas Donahoe, the custodian at Abraham Lincoln High School in Brooklyn took home last year $46,130—$1,130 more than Dr. Gross earns and slightly under the $50,000 annual salary of Mayor Wagner and Gov. Rockefeller.

One matter reportedly under investigation by Mr. Stichman is that the contract being negotiated with the custodians does not provide for the school system to secure overpayments from custodians who retire.

Eugene E. Hult, superintendent of design, construction and physical plant, under whose department the custodians work, acknowledged this in an interview.

"We're still trying to work something out on this," he said.

Mr. Hult was not one of those testified at Wednesday's sessions with Mr. Stichman. Those called were Dr. Frederick M. Hill, deputy superintendent for business and administration; Robert R. Hope, director of plant operations; Raymond Hudson, chief of custodians; and G. Gary Sousa, law secretary.

Under the "indirect" payment system employed in city schools, custodians are civil-service quasi-contractors, hiring their own help and buying supplies from a lump-sum allowance based on the size of their building and number of extra-hour activities. They retain what they do not spend for the maintenance and opetation of their schools.

After an agreement worked out in 1962, the total retained by 870 custodians (those in larger buildings, especially high schools, are called custodian-engineers) leaped more than $4 million—to $12.7 million. About half of the increase had been ticketed for improved service and the rest for salary increases, but all of it, according to the Stichman findings, ended as profit for custodians.

During the last fiscal year—ending June 30—the total retainage, according to Board of Education figures, was $12.6 million. The average retainage dropped from $14,713 to $14,400.

New York Times, Monday, October 19, 1964

CUSTODIANS FACE SECOND STATE INQUIRY

City School Officials Called to Testify – Pay Scale Still Termed Too High

By Leonard Buder

A new state investigation has been started into the city's school custodian set-up.

Herman T. Stichman, Governor Rockefeller's special Commissioner for investigations, would not confirm that an inquiry was under way. But he did say that some custodians were still earning excessive amounts despite assurances last year that abuses would be corrected.

From other sources, it was learned that three officials of the city school system—among them Dr. Frederick W. Hill, the Deputy Superintendent in charge of business and administration—were questioned last week by Mr. Stichman and his staff. Others, including officers of the custodians' union, are expected to be called.

875 PAID $12,599,107

A state auditor, it is known, also recently examined the records of custodial allowances and incomes at school headquarters.

The state's concern centers on the fact that the total income of all custodians last year was almost as great as it was the year before. The custodians' union had said last year that there would be a reduction of about $4 million in the earnings of custodians, with the money going to improve school care.

According to Eugene E. Hult, the Deputy Superintendent of the office of school buildings, the system's 875 custodians were paid $12,599,107 in the year ending last June 30. In the previous fiscal year, 869 custodians earned $12,697,952.

Mr. Stichman commented: "Evidently some custodians in the New York City public school system continue to be among the higher paid individuals in the country, some of them receiving more than governors, mayors of large cities, college presidents, and superintendents of schools.

"We had expected since our public hearing of last December that there would be an over-all downward adjustment of the compensation of custodians to levels consistent with salaries paid for similar services in the city's colleges and by owners of private buildings, but overpayment continues to a considerable degree.

"It is to be hoped that this unfortunate condition will be remedied soon and that excessive compensations will not be frozen into any new arrangement made by the New York City Board of Education."

During the three-day public hearing last year it was brought out that one custodian made more than $53,000 in 1962-63 – which is more than Mayor Wagner received – and two others earned more than the $40,000 paid to Dr. Calvin E. Gross, the Superintendent of Schools. Twenty-three other custodians received more than $30,000.

These figures were for the year beginning October 1, 1962, when a new payment schedule took effect. Thus, while the average income of the city's custodians was $14,713 for the 1962-63 fiscal year, which started July 1, the average was $15,942 for the 12 months beginning Oct. 1.

Mr. Hult said yesterday that the average income for 1963-64 fiscal year was $14,400, a small decline over the previous fiscal period but a 10 per cent decline from the peak 12-month period.

However, he conceded that the 1963-64 figure was considerably higher than the 1961-62 average of $10,457.

Board of Education officials said last week that they were concerned about the incomes of some custodians although there had been a general reduction in earnings. They said that the excessive earnings of custodians were being scrutinized by the system's auditors and the Division of Business Affairs.

The custodian of one Brooklyn high school, who recently retired, earned $46,150 in the 1963-64 fiscal year, with $21,147 coming from January to June.

The high school custodian who earned $53,000 in 1962-63 made $36,114 in the last fiscal year, which is still far above the limit school officials would like to impose.

Under the present set-up, custodians are regarded as quasi-independent contractors. They receive lump-sum allowances for the cleaning and care of their buildings. They pay employes they may hire from the allowances and keep the balance as their compensation.

A new contract, intended to place a limit on custodial earnings and to provide other safeguards, was recently worked out by school officials and representatives of the custodians' union, Local 891 of the International Union of Operating Engineers. But the agreement has not yet been ratified by the union's members.

The contract would limit to about $26,200 the income of the custodian with the largest building and the most responsibilities.

The maximum basic income would be $8,550 to $18,000, with extra compensation for overtime, evening and weekend work.

Mr. Hult said that the arrangement also provided for a refund of excessive amounts paid since Jan. 1. However, he conceded that it might be difficult to collect over-payments from "five or six men" who recently retired.

APPENDIX: 16

CUSTODIAL FACTOR FOR NORMAL DAY SCHOOL ACTIVITY BY SELECTED FLOOR AREAS, 1966-1975

APPENDIX: 16

CUSTODIAL FACTOR FOR NORMAL DAY SCHOOL ACTIVITY BY SELECTED FLOOR AREAS, 1966-1975

The custodial factor is the mechanism that links the custodial contract (and the terms relating to guaranteed minimum salaries and also maximum permissible salaries) and the allocation formula (which must provide sufficient funds to the custodian so that he may earn a salary). The custodial factor is one component of the Total Floor Area factor*, in the Allocation formula; other components are factors for custodial helpers, etc. The philosophy of the Total Floor Area factor is that this factor provides the bulk of the funds for custodial services in a school in general to cover the services of that size school building. Other physical attributes of the building are handled by the remaining seventeen factors. This negotiated figure most closely corresponding to the custodian's salary for a 40 hour week does not reflect any of his potential earnings received in addition for management efficiency.

Increases in these factors have always been in dollars with the same amount applied to all floor areas regardless of size. Thus, the percentage change in the custodial factor varies inversely with the floor areas. The upward trend of the 'custodial factor' component in the Floor Area Schedule is shown in the following Table prepared by the Office of Labor Relations and Collective Bargaining in April, 1976.

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*Total Floor Area factor is presented in the first table in Appendix: 15.

CUSTODIAL FACTOR FOR DAY SCHOOL SERVICES BY SELECTED FLOOR AREAS

1966 TO 1975

	CUSTODIAL FACTOR (M. Sq. Ft.)			% INCREASE		
	50	100	270	50	100	270
1975	$ 14,134	$ 14,812	$ 18,642	9.3	8.8	6.9
1974	12,934	13,612	17,442	8.8	8.4	6.4
1973	11,884	12,562	16,392	9.7	9.1	6.8
1972	10,834	11,512	15,342	10.7	10.0	7.3
1971	9,784	10,462	14,292	7.1	6.6	4.8
1970	9,134	9,812	13,642	7.7	7.1	5.0
1969	8,484	9,162	12,992	8.3	7.6	5.3
1968	7,834	8,512	12,342	13.2	5.7	3.9
1967	6,918	8,054	11,884	3.1	4.6	3.1
1966	6,710	7,700	11,530	8.2	3.4	2.2

APPENDIX: 17

NEW YORK CITY COMPTROLLER'S AUDIT REPORT, FINANCIAL AND OPERATING PRACTICES PERTAINING TO CUSTODIAL SERVICES THE YEAR 1975 (NO. C 77-203)

APPENDIX: 17

NEW YORK CITY COMPTROLLER'S AUDIT REPORT, FINANCIAL AND OPERATING PRACTICES PERTAINING TO CUSTODIAL SERVICES THE YEAR 1975 (NO. C 77-203)

The enclosed New York City Comptroller's audit report issued on January 19, 1977 verifies many of the findings uncovered by the Project Management Team. The approach taken by the New York City Comptroller's Office was to audit specific items in the Board of Education's custodial service program; the approach taken by the Project Management Team was to describe operation of the indirect system of providing custodial services. Thus the Comptroller's audit tends to strengthen the Board of Education's own findings, coming as it does from a different approach to the problem.

A draft report was furnished to the Board of Education on December 16, 1976 with a request for comments. Some parts of the response to the draft audit report from the Deputy Chancellor and the Executive Director of the Division of School Buildings has been included parenthetically in the Comptroller's final audit report.

Office of the Comptroller
City of New York
Bureau of Municipal Investigation and Statistics

Re: Board of Education
Financial and Operating Practices
Pertaining to Custodial Services - 1975
C 77-203

Managerial Summary

Background

By resolution of the Board of Education, custodial services for public schools and other buildings under its jurisdiction are furnished through a "contractual" system. Custodians who are at the same time civil servants and quasi-independent contractors, are awarded a contract on the basis of collective bargaining for the cleaning, heating, etc., of these buildings. The Board employs approximately 1,000 custodians. They, in turn, hire additional employees to assist in the work performance. (To our knowledge, the Cities of New York and Buffalo are the only ones in the state with custodial operations on a quasi-independent contractor basis.) The cost of custodial services for the calendar year 1975 was $106.1 million, exclusive of pension and other fringe benefit costs.

Supervision of custodians is exercised by the Board's Division of School Buildings through its Office of Plant Operations and Maintenance, Bureau of Plant Operations. Its "Rules and Regulations for the Custodial Force" details the duties, responsibilities and work rules for custodians. The "Agreements" between the Board and Local 891 (Custodians) spells out the financial arrangements, grievance procedures, etc., for custodians.

Under the Agreement, payment is made to custodians on the basis of designated formulae. The custodians hire others to help in the performance of their services. The employees of the custodians are not civil servants. They are represented by unions which negotiate for wages, hours and working conditions on their behalf with the Board and the custodial union.

Custodian compensation, called "Custodial Allowances," is based on several factors, such as:

(a) "Day School Allowance" which includes: floor area for each building, cafeteria/lunch room for each building, custodial factor or managerial component, etc.

(b) Extra activity services.

The services connected with the day school allowance are such as keeping the schools open, clean, heated and operating for the normal day school session on school days, Mondays through Fridays.

Payments are made to each custodian on a bi-weekly basis for day school activities. With these funds custodians are supposed to pay their employees and make other necessary disbursements. In that regard, each custodian files monthly disbursement reports with the Board. The difference between the amounts received by the custodians and the amounts disbursed by them is referred to as "net retained earnings."

Each custodian is permitted to retain a maximum amount which varies from school to school. This amount is described as "maximum permissible retained earnings." This amount varies by school. It is limited to a maximum of $31,000 and is composed of both day school and extra activity funds. If the "net retained earnings" is greater than the "maximum permissible retained earnings," the difference is required to be returned to the Board as "excess earnings."

As part of our continuing audit of the Board of Education we have examined the operation of its custodial service. To determine if this service was being performed economically, we have analyzed the contracts between the Board and the custodians, as well as the contract among the Board, the custodians and the employees of the custodians. We also examined the records of various custodians at certain schools, the Board's Central Office, and some records pertaining to the schools with custodial services being performed under "outside" contract.

Major Observations

In our opinion, the cost of custodial services incurred by the Board can be reduced by $10 to $15 million per year. These savings can be achieved either by more effective administration of the custodial process (including the bargaining and administrative aspects of the contracts) or by the expansion of the number of schools obtaining custodial service through outside contracts.

A benchmark for evaluating the cost of the present system is available, since the Board has arranged for the performance of custodial services for five schools and a non-school building by outside contractors. The Board's comparison of the cost of the "in-house" and "outside" services for 1975-1976 indicates that the "outside" cost averaged approximately 13% less than the "in-house" cost, as follows:

School	(In-House) Estimated	(Outside) Contract		Difference
PS 57, Man.	$100,418.19	$ 85,365.00	-	$ 15,053.19
PS 83, Man.	100,418.19	85,365.00	-	15,053.19
PS 96, Man.	100,418.19	85,365.00	-	15,053.19
PS 70, Man..	158,227.31	120,450.00	-	37,777.31
PS 61, Qns.	158,227.31	118,050.00	-	40,177.31
Brooklyn Area Office	187,247.07	202,355.00	+	15,107.93
	$804,956.26	$696,950.00		$108,006.26
Percent	100%	86.6%		13.4%

Our examination disclosed that substantial savings could be achieved through more effective administration of the custodial process. We see no reason why the Board should pay more for custodial services under the existing system than it would need to pay if the entire service were contracted out. The Board should expand the number of schools under contract and seek to reduce costs under the existing system through negotiation.

Some areas for potential savings within the present quasi-independent contractor custodial process are as follows:

- The earnings of custodians assigned concurrently to more than one school should be regulated more effectively. Our analysis showed that 23 custodians earned more than $40,000 in 1975.
- The method of computing maximum permissible retained earnings results in excessive payments to custodians and should be revised.
- The formula for computing pension costs (which is based on maximum permissible earnings rather than net retained earnings) results in excessive pension contributions by the City.
- Ownership of capital equipment purchased by custodians for school purposes should be retained by the Board.
- Overtime payments to custodial employees are extensive, amounting to more than $8 million in 1975. We found no work schedules at any location we visited and time cards were not regularly punched "in" and "out" each day.
- Nepotism involving custodial employees occurs to an excessive extent - 50% of the custodians employed at least one relative. Nepotism inherently undermines internal control.
- Deductions for unused space are inadequate in connection with the computation of custodial payment allowances. At present no deductions are made unless unused space is greater than 6,000 square feet.

Discussion of Audit Results

A draft report was furnished to the Board of Education with a request for comment. Comments received have been included parenthetically where appropriate. The Deputy Chancellor noted that: "For some time I have been aware of the inequities that exist in the present agreement between the Custodians and the New York City Board of Education. At my direction, staff personnel together with representatives of other audit agencies and private industry have been conducting an extensive examination into the custodial operation. You may be assured that the findings by my staff, as well as those contained in your report, will be brought to the contract negotiation sessions."

Office of the Comptroller
The City of New York

Report Filed: January 19, 1977

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REPORT ON
THE FINANCIAL AND OPERATING PRACTICES OF THE BOARD OF EDUCATION PERTAINING TO CUSTODIAL SERVICES FOR THE CALENDAR YEAR 1975

C 77 - 203

I. Scope of Review

The purpose of this examination was to review the financial and operating practices of the Board of Education (BE) pertaining to custodial services performed at the public schools in order to determine whether these services are rendered in an economical manner. We, therefore, reviewed the operations of the custodial service for the year 1975.

II. Background

Custodial services can be provided by BE employees directly or by others. The direct system, wherein all employees are civil-service, was phased out 20 years ago because of high costs and poor service. BE now employs the indirect system. Under this system, custodians are hired who in turn hire various employees to assist them in the performance of the custodial services. Approximately 1,000 custodians are employees of BE. They employ approximately 5,000 workers operating in over 1,000 locations.

Custodians are required to open and close school buildings, clean, heat and operate them for normal school-day sessions (day school services) and for extra activity services.

Custodians are compensated based on an allowance for day school services paid bi-weekly as budgeted, plus an allowance for extra activities paid periodically.

The contract permits the custodian to retain, after expenditure for salaries and supplies, a maximum permissible for day school activities and a maximum permissible for extra activity services subject to a combined maximum permissible net retained earnings. Excess earnings are required to be deposited in a trust account pending return to the Board of Education on demand.

The Bureau of Plant Management of the Division of School Buildings is charged with the management of custodial services which are carried out by five borough offices, namely: Manhattan, Brooklyn North, Brooklyn South (includes Staten Island), Queens and the Bronx. These offices are further subdivided into districts. Central staffing consists of an Executive Director, a Chief of Custodians, and an Assistant Chief of Custodians. Borough and district supervisors staff the borough and district offices.

The Board's Office of Labor Relations conducts collective bargaining for the custodians and their employees.

The contract with the custodians is, in effect, a cost reimbursible contract with a maximum price. The custodians are civil service employees, but certain elements of the contract treat the custodians as individual entrepreneurs. At the same time, certain bookkeeping and clerical services are rendered by the Board to the custodians.

Custodial Payments

Payments to the custodians for 1975 amounted to $106.1 million, exclusive of fringe benefits, of which $94.8 million was for day school services and $11.3 million was for extra activity services. The custodians expended $78.9 million and retained $27.2 million. Of the $27.2 million, $2.4 million was to be returned to the Board as excess earnings.

Contract Schools

During 1975, the Board had under outside contract five schools and a non-school building, for comparison cost purposes. The required services for these buildings were the same as those required to be performed by BE's custodial employees.

A comparison of these costs prepared by the Board indicated that the cost of the contracted buildings were approximately 13% less than those serviced by its custodians, exclusive of possible excesses to be refunded by the non-contract custodians.

We have therefore focused on the various provisions of the contract between BE and the custodians to explore areas where savings can be achieved either by more effective administration of the custodial process (including the bargaining and administrative aspects of the contracts) or to increase the number of contract schools.

III. Comments and Findings

A. Contract Between BE and Custodians

1. Custodial Earnings

a. Assignment to more than one school (Temporary Care)

The 1975 contract limits the earnings of a custodian to an annual maximum of $31,000. This includes the combined maximums of the day school and extra activity allowances. However, when emergencies arise, such as long illnesses or deaths, vacancies exist for which no personnel are readily available, thus necessitating double coverage by some custodians. Under these conditions, the earnings limit does not apply.

We found that for the year 1975, 285 custodians were assigned to more than one school thereby enabling 36% of them to earn in excess of $31,000. The earnings, based on our test which included custodians with double assignments of from one to twelve months duration, ranged from $31,712 to $41,048. Approximately 23 of these custodians earned more than $40,000 for the year.

A conservative estimate of earnings in excess of $31,000 for 1975 is the sum of $503,000.

Supervision on double coverage assignments is bound to be inadequate. Compensation for the second school should therefore not be at the full rate.

Recommendation:

Double coverage assignments should be eliminated except for emergencies. In such cases the excess earnings should be limited in amount.

(BE commented that, "The fiscal crisis of the City created a problem in filling vacancies. Under our system buildings must have a Custodian in charge. Beginning in 1974 problems arose with getting certifications from the Department of Personnel to fill vacancies.

The Department of Personnel wpuld not permit the use of provisionals to fill temporary vacancies. The Deputy Chancellor approved the employment of provisionals for this purpose and we have now been waiting over two months to have Personnel approve the applications of 20 provisionals. The Bureau recognized that earnings should be limited on temporary cares and included such a limitation in its demands on Local 891 dated December 30, 1975, page 2, Article III(8), which recommended that earnings for a second assignment be limited to 10% of the maximum permissible.")

b. Maximum Permissible Retained Earnings

BE's contract with the custodians provides that there be separate limits on amounts retainable from allowances for day school and extra activity funds received by the custodians. It also stipulates limits on these combined amounts. In combining these maximums in order to determine the maximum permissible earnings (the amount each custodian keeps), BE, in effect, nullifies the per category limits by offsetting a deficit in one category against excess in another. For example:

(1) If computed separately		
(a) Maximum Permissible-Day School (Custodian's Pay)	$18,962	
Net Retained (Receipts less Disbursements)	20,263	
Excess		$ 1,301
(b) Maximum Permissible-Extra Activity	$ 7,637	
Net Retained Earnings " "	6,255	
Deficit		($ 1,482)

If computed separately, as above BE would receive a refund of $1,301.

(2) Computation based on combined maximums as used by BE

(a)	Maximum Permissible-Day School	$18,962	
	Maximum Permissible-Extra Activity	7,637	$26,599
(b)	Net Retained Earnings-Day School	$20,263	
	Net Retained Earnings-Extra Activity	6,255	
			26,518
	Excess		-0-

Under BE's contract method there would be no excess.

We estimate that BE by offsetting the deficiency of one category against an excess of the other, has overpaid an amount in excess of $1 million for the year 1975.

Recommendation

New contracts should specify separate maximums for day school and extra activity earnings without applying a combined maximum.

(BE states that, "The recommendation is that the maximums on day and activity earnings be computed separately. Article II(4) of the Agreement states, "Nothing in this Article shall be construed so as to place a separate limitation on either day school or extra activity earnings, or be construed as a guarantee of such earnings." This article was negotiated in 1964 with the first agreement. It was based on the difficulty of accurately assigning labor and other costs to each schedule.")

Auditor's Comment

With proper recordkeeping and time controls the costs can be segregated as to day school and extra activities.

c. Computation of Limitations on Maximum Permissible on Extra Activity Earnings

Where there is a number of custodians assigned to the same school, within the same year, BE applies the maximum permissible retainage for extra activity earnings to each custodian rather than to the total extra activity fees generated by the school. BE's method, which is in accordance with the contract, results in excess expenditures. The reason is that the custodian is permitted to retain a smaller percentage of excess activity earnings as these earnings increase.

For example, one school had three custodians during 1975. The extra activity revenue for the year was $7,482. The maximum permissible earnings based on one custodian would have been $3,971; whereas, when computed for each custodian assigned, the maximum was $5,279.

The records indicate that more than one custodian was assigned in 244 schools having extra activity services in 1975. BE's method of computation cost an additional $152,620 for the year.

Recommendation

The next contract should restrict the maximum retainage for extra activity earnings to the earnings of each school rather than to that of the custodians. The earnings should be allocated among the custodians on the basis of days assigned to the school as is done with day school earnings when there is more than one custodian.

(BE commented that, "This is a recommendation for inclusion in the negotiations. The negotiations are advanced to a point where I do not believe any new items such as these may be added.")

Auditor's Comment

Items can be added to or deleted as long as a contract has not been signed.

d. Unused Space

BE's memorandum dated May 21, 1952 stipulates that a deduction should be made from the custodial allowance for day school services for unused space in excess of 6,000 square feet in each school.

This method is disadvantageous to BE since our tests in 1975 indicate that most of the unused space is less than 6,000 square feet. Six thousand square feet is equivalent to ten rooms measuring 30 ft. by 20 ft.

We recommend that the deduction for unused space be based on actual unused space.

(BE states that, "The unused space agreement is made in accordance with the current agreement. The Bureau recognized the inequity of the deduction in its demands for Local 891 dated December 30, 1975 wherein it was recommended that deductions be made for any area not actually in use.")

e. Pension

For 1975 BE used the maximum permissible earnings for day school services per the contract as the base for pension earnings instead of the net retained earnings.

Our tests for 1975 indicate that 59% of the custodians had an average of $3,020 each less in net retained earnings for day school services than maximum permissible earnings. BE's method subjected approximately $1.9 million in salaries to pension contributions during 1975 than would have been subject if net retained earnings were used. At an average rate of 16.92%, the additional cost approximated $321,000 for the year.

Recommendation:

For greater economy, the Board should base its custodial pension obligations on the lower of net retained day school earnings or the maximum permissible day school earnings.

(BE commented that, "The Auditor recommends that pensions be based on net retained day school earnings or the maximum permissible day school earnings whichever is less. This is not in keeping with the Agreement since pension salaries are set forth in Appendix "D." The pension salary has been an arbitrary figure on which to determine pensions for at least fifty years. It is not understood how the Auditor arrived at his projection of a $321,000 saving. Seven hundred seventy-two (772) Custodians were in excess for the year 1975 which means about 225 were in deficit for a total of $425,604. Allocations of expenses between day school and activities are not accurate. If pensions are determined by net earnings you can be assured that the last year or two of a Custodian's service the net earnings will be at the maximum. I believe in lieu of saving money the Board of Education Retirement System would be under-financed with consequent difficulties. In addition to the foregoing, since net earnings vary from pay period to pay period deducting and recording payments to the individual Custodian's retirement annuity would become administrative chaos.

I believe the projected saving of $321,000 on this item is exaggerated. There would be little, if any, savings involved.")

Auditor's Comments

Our test indicated that 59% of the custodians, or 624, had day school net retained earnings which were less than the day school maximum permissible.

BE's contention that 772 custodians were in excess and 225 were in deficit is irrelevant.

f. Accounts Receivable

Receivables arise from the following sources:

(1) Excess maximum permissible earnings refundable to BE.
(2) Various receivables from wages of custodial employees.
(3) Due from organizations using school buildings.

(1) Excess Maximum Permissible Retained Earnings (Trust Funds)

By contract, custodians are required to deposit in trust for BE, excess maximum permissible retained earnings payable to BE on demand. We found that the trust clause in the agreement has been so modified by exceptions as to be unworkable. We also found that BE does not enforce the establishment of trust accounts but attempts to recoup these funds by deductions from future payments. This approach is ineffective because of deaths, retirements, resignations and severances. In these cases BE relies on the Law Department to collect.

We found that as of January 1, 1976 excess 1975 retained earnings amounted to $2,436,518. By August 31, 1976 BE collected $2,085,051. Of the uncollected balance of $351,468, the sum of $58,928 was turned over to the Law Department for collection.

The records showed that as of August, 1976, the status of receivables of excess maximum permissible retained earnings was as follows:

Year	Total Receivable	Referred to Law Dept.	Being Collected By BE
1972	$ 13,328	$ 13,328	-
3	69,395	69,395	-
4	54,560	54,560	-
5	351,468	58,928	$292,540
	$488,751	$196,211	$292,540

Recommendations:

Excess earnings, as determined quarterly by BE, should be deposited by each custodian in a separate special bank account to the credit of the Board.

Interest should be charged on any unremitted excess from the date of BE's demand for the funds.

(2) Accounts Receivable from Taxes Withheld from Custodial Employees' Payroll

These receivables arise when a custodian either dies, retires, resigns or is terminated before remitting to the Board taxes withheld from his employees' wages.

Prior to March, 1975, the procedure for remitting did not require the transmittal of taxes withheld at the times of reporting on payroll paid. The amount of these items, as reported on the monthly reports to the Board, were to be deducted from future custodial advances. These deductions were not, however, made until at least four months had passed, thereby creating uncollected items for those custodians who had left BE. In the meantime, BE has paid the taxes, and having no means of collecting, turns the accounts over to the Law Department for collection.

We found that in some instances, BE was as much as a year late in turning these accounts over to the Law Department.

For example, on March 4, 1976, a total of $33,628 was turned over to the Law Department for collection. Of this amount, $11,317 pertained to taxes withheld in 1974. One of the custodians had left the Board in March 1974, and owed $7,743.

The records were not current and they were incomplete. It was therefore not possible to determine the reliability of the amounts cited above.

Beginning with March, 1976, the custodians are required to remit to the Board the full amount of taxes withheld. If they fail to comply, deductions are required to be made currently from advances. This procedure is unsatisfactory, since if a custodian leaves the service, the same situation could again recur.

Recommendation:

BE should withhold all payments to custodians who fail to remit the amounts deducted from employees payrolls.

(BE states that, "Items (1) and (2) should be answered by the Custodial Payroll Unit. However, the recommendation that interest be charged on the unremitted excess is one of the Division's demands on Local 891 dated December 30, 1975.")

(3) Receivables from Organizations for Use of Schools

BE charges and collects in advance for use of space in schools by local groups. However, governmental-funded groups are billed after use.

BE is negligent in collecting such billings as can be seen from the loosely kept records which indicate an amount in excess of $184,000 due at the end of 1975. The custodians were paid for the extra services they provided because of the additional use of the buildings.

Recommendation:

All organizations which do not pay in advance should be billed and required to pay within thirty days of the use of school premises.

(BE comments that, "Item (3) funds due from organizations using school buildings is under the cognizance of this Division. The money due is from public or semi-public organizations. The organization owing the most money is a child care center operated by the Chinatown Planning Commission. They have been notified that service will cease on January 15, 1977 unless the amount due is paid. It is expected that heavy political pressure will be brought on the Division if this action becomes necessary.")

B. Contract between BE, Custodians' Union, and Custodians' Employees

1. Work Assignments

We found laxity in payroll control. For example, none of the custodial locations examined maintained work assignment records, and we found many time cards were not punched either "in" or "out." It was therefore not possible to verify the accuracy of time worked. It was similarly not possible to determine if there was over-staffing.

We observed that one custodian in a high school employed five regular and three part-time firemen. Other custodians hire no more than two. This custodian used members of his staff, two cleaners and two firemen, as security guards on a regular basis, at premium pay rates.

One of these firemen, per the time cards, clocked 2,112 hours of regular time, plus 1,808 hours of overtime. This employee thus worked a total of 3,920 hours for the year, or an average of 75 hours per week. We computed his salary for the year as $29,973. Since all the other custodians examined employed no more than two firemen, the employment of eight, with one working an average of 75 hours per week, appears to be an unwarranted expenditure of BE's funds.

The policy of assigning firemen and cleaners as security guards is too costly. Firemen and cleaners are paid $6.58 and $5.01, respectively, straight time, while security guards are paid $3.00 per hour maximum. If the Board has established the need for such security service, it should hire regular guards at a considerable saving.

Recommendation:

BE should establish and clearly state standards, scrutinize custodial employee assignments, time cards, etc., to ensure uniformity regarding the number of employees employed for the same task by each custodian.

(BE states that the, "Recommendation states firemen and cleaners should not be employed for security purposes. Where firemen and cleaners are employed at night, security is only part of their function. They have other duties to perform in the building. There is no title security guard and the rate for watchman is $5.043/hour not $3.

The recommendation states Board of Education should check employee assignments, time cards, etc., to get better accountability. This will be strengthened.")

Auditor's Comments:

As stated above, no work schedules were maintained at the premises visited. Work performed, as fireman, etc., could not be ascertained. It was thus not possible to validate the need for the number of firemen cited, or the need to assign them to perform security guard functions.

2. Overtime payment

BE's contract with the custodians states in part:

> "Employees covered by this agreement shall have a five (5) day, forty (40) hour week, commencing on Monday and ending on Friday. All work performed in excess of eight (8) hours per day, five (5) days per week or forty (40) hours per week, or on Saturday or Sunday shall be paid for at the rate of time and one-half."

We found this clause to be ambiguous in that it does not state whether part-time employees are covered by the contract, and if so, the conditions under which overtime payment can be made to them.

We found also that many custodians have consistently paid premium rates to part-time employees. BE by not correcting this practice, has ratified it.

We estimate the cost of this item to be in excess of $755,000 for the year 1975.

Recommendation

The section of the contract pertaining to the payment of overtime should be clarified. The conditions, if any, under which premium rates may be payable to part-time employees should be spelled out.

We found that overtime hours for full-time employees amounted to 11.3% of regular hours, exclusive of extra activities and shift differential hours.

We found no work schedules in any location visited. Time records (cards) were not regularly punched "in" or "out" each day. We could not, therefore, determine the accuracy of hours worked. Neither could we ascertain the necessity for overtime.

We estimate the cost of overtime for 1975, exclusive of the hours mentioned above, to be in excess of $8 million.

Recommendation:

We recommend that assignment schedules be prepared and used by all custodians and that control of time cards be instituted. Proper accounting should reduce or eliminate the need for overtime.

(BE says that, ".... The $8,000,000 cost item must include the basic hourly rate since our computations indicate premium pay amounted to only $3,000,000 for 1975/1976. There is a certain amount of work mandated for every Saturday, Sunday and holiday in each building. In most buildings the fireman is employed an additional hour or two at premium pay each day in the heating season. This is certainly more economical than employing a full time fireman to cover a single hour's need. This also applies to cleaners in certain schools...."

Work schedules are required now by paragraph 2.2.4, of the Rules. Schools that did not have them should be identified so a complaint may be filed against the Custodian. District Supervisors check work schedules regularly.")

Auditors' Comments :

While the $8 million includes the basic pay, since the records were such that their accuracy could not be ascertained, we are questioning the validity and necessity of the entire matter of overtime.

3. Nepotism

We found that approximately 50% of the custodians we tested employed at least one relative, such as a wife, son or daughter, during the year 1975. The contract is silent concerning such employment. Our tests indicated that some of these hired as handymen were actually performing bookkeeping services. There were no assignment records and laxity existed in the clocking "in" and "out" of relatives.

One high school custodian whose net compensation was $31,000 for the year employed one son as a full-time handyman/fireman, another as a part-time cleaner and a daughter as a handyman who really functioned as a bookkeeper. The combined salaries to the children amounted to $28,952 for the year. The combined family income was $59,952 for the year.

(BE comments that, "Nepotism has been recognized as an item that could create problems. However, the legal staff and the unions claim that it is not illegal. The District Supervisors constantly watch that any relative employed by a Custodian is on the job and working.")

Auditors' Comments:

The basic issue concerns the lack of assignment records and the inherent lack of internal control when nepotism exists.

4. Bookkeeping

We found that many custodians hired individuals, including relatives, as handymen and were using them as bookkeepers. Handymen are paid $6.58 per hour. For a forty-hour week, fifty-two weeks per year, this rate generates $13,686 per year. The salary of the Assistant Accountant title in the City of New York, as of July 1, 1975, ranged from $10,775 to $12,300. An Assistant Accountant is required to have a great deal more training than handymen/bookkeepers.

Recommendation:

The custodians' contract permits the hiring of bookkeepers and other office staff, as necessary. It does not, however, set a pay scale for such classifications. We therefore recommend that wage scales for these titles, commensurate with the work to be performed, be established in future contracts.

Recommendation:

(BE commented that, "The Division has recognized the need for control of Custodian's clerical services and in negotiations for each agreement has demanded changes. In the latest demands dated December 30, 1975, it was recommended that clerical help be paid at the cleaners' rate and that limitations be placed on the number of hours of clerical help per week in accordance with building size.")

C. Capital Equipment Purchases

BE's contract with the custodians permits them to purchase items of capital equipment. However, the custodians charge their monthly expenses with the depreciation cost only, and at the end of the depreciation period title to the equipment vests in the custodians. Capital equipment is defined as having an anticipated useful life of not less than three years and a purchase price in excess of $350. For the year 1975, we estimate that the Board, through the custodians, expended $1.2 million for these items.

We also found that the custodians purchased durable goods, such as typewriters, calculators, snow blowers, air compressor paint sprayers, etc., which cost less than $350 each. They are not considered depreciable and are charged to miscellaneous expenses. These items also become the personal property of each custodian.

We estimate that $192,000 of these items were purchased in 1975.

Recommendation:

We recommend that the Board discontinue the practice of donating capital equipment and durable goods to the custodians. These items should be inventoried by the custodians and held in trust for BE.

(BE commented that, "The Board is supposed to supply all equipment and materials necessary to operate the buildings. Custodians are permitted to purchase equipment and material from their labor allowances to eke out the meager amount of equipment and material furnished by the Board. It must be remembered that court decisions prior to the Agreement negotiated in 1964 stated the Board had no control on the Custodians expenditures as long as the building was maintained in accordance with the Rules. The Union in 1964 agreed to limitations on expenditures for labor and materials as long as it was a reasonable control. Without these expenditures the Board would have been in serious difficulties over health hazards in the past few years. The cost of inventorying such purchases would far outweigh the cost. In addition, the Custodians could legally refuse to purchase anything which would create more problems than the Division could handle.")

Auditors' Comments:

Our criticism is aimed at the donation to the custodians of the items of permanent equipment, i.e., relinquishment of title by BE.

We are not advocating that BE control or prevent these purchases.

The effect of these donations is to increase the donees' net retained earnings without subjecting such earnings to the maximum permissible limit agreed to by both parties to the contract.

D. Other Expenses

1. Income Tax Preparation

We noted that many custodians paid amounts ranging from $50 to $100 for the preparation of their tax returns and charged this item to the Board. We found no instance of disallowance of this item by BE.

The preparation of individual tax returns is a personal expense, the cost of which should be borne by the individual custodian.

(BE commented that, "Income tax preparation is a personal expense for a salaried employee. However, Custodians must file returns as small businesses because of payroll, insurance and other expenses. Each year the Custodial Audit Unit establishes what is considered a fair amount for tax preparation for the business end of the Custodian's income tax. Any amount above that is considered his personal tax preparation and is denied as an expense.")

Auditors' Comments:

Payment of charges for income tax preparation constitute salary adjustment to the recipient. Such adjustments should be subject to the contractual limits applicable to net retained earnings.

2. Christmas Bonus

We found that two custodians paid their employees a Christmas bonus during 1975. The bonuses were included on the monthly reports to the Board. The items of $300 and $566 each, were not questioned.

Recommendation:

The payment of Christmas bonuses from City funds is questionable BE should request reimbursements from the custodians involved.

(BE commented that, "The Auditor objects to Christmas or other bonus payments made to custodial employees. Article III, paragraph 9, permits reasonable bonus payments to employees. This provision has been in every Agreement since the first negotiated in 1964. Custodians had for many years rewarded excellent service during the year by small bonuses at Christmas time.

The bonus theory has recently been applied to Civil Service management employees (e.g., the Fire Department). A limit of $50 per employee was established by the Custodial Audit Unit on bonuses.")

Auditors' Comments:

Bonuses are salary adjustments. If negotiated salaries are adequate, reasonable, and equitable, there should be no need for bonuses, In our opinion, bonuses should not be a permissible contract cost.

IV. Conclusion

As indicated on the preceding pages, we found that BE's costs for its custodial service can be substantially reduced. Based on this examination, we have projected savings of from $10 million to $15 million for the year 1975, or 9% to 15% of its 1975 custodial cost. The specific areas of savings have already been discussed.

BE's comparison of the cost of its outside custodial contracts with those for its own custodial service, for the same schools, indicate a saving of 13.4% on the outside contracts for the 1975/1976 school year.

(BE commented that, "A recent report by the Division recommended that more schools be added to the program to see what effect it will have on costs.")

BE's reply to our draft report concludes, as follows:

> "In concluding, I must point out that most of the recommendations made by the audit group are contained in our demands on Local 891. However, labor negotiations are a two-way operation, not a unilateral decision. Our demands may be accepted in part, and then again since the Board is in a poor bargaining position, without money none of our demands may be met. The $12,000,000 saving recommended by the audit group all depend on renegotiation of three labor contracts."

Auditors' Comments:

Some of the issues covered in this report relate to contract negotiations, while others relate to contract administration. Obviously, negotiation is a two-way matter. But we believe the Board is in a good bargaining position, particularly when the Board is in the position of placing additional schools under outside contract.